

①

NAVAL POSTGRADUATE SCHOOL Monterey, California

AD-A282 899



THESIS

DTIC
ELECTE
AUG 11 1994
S B D

**ALGERIA IN TRANSITION:
THE ISLAMIC THREAT AND GOVERNMENT
DEBT**

by

Janice M. Wynn

June 1994

Thesis Advisor:

Ralph H. Magnus

Approved for public release; distribution is unlimited

94-25219



10108

94 8 10 00 3

REPORT DOCUMENTATION PAGEForm Approved
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.

1.AGENCY USE ONLY (Leave blank)**2.REPORT DATE**
June 1994**3.REPORT TYPE AND DATES COVERED**
Master's Thesis**4.TITLE AND SUBTITLE** Algeria in Transition: The Islamic Threat and Government Debt**5.FUNDING NUMBERS****6.AUTHOR(S)** Janice M. Wynn**7.PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)**
Naval Postgraduate School
Monterey CA 93943-5000**8.PERFORMING ORGANIZATION
REPORT NUMBER****9.SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)****10.SPONSORING/MONITORING
AGENCY REPORT NUMBER****11.SUPPLEMENTARY NOTES** The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.**12a.DISTRIBUTION/AVAILABILITY STATEMENT**
Approved for public release; distribution is unlimited.**12b.DISTRIBUTION CODE**
A**13.ABSTRACT (maximum 200 words)**

Algeria's current political crisis serves as a reminder of the fragility of attempts to reform government in search of "democracy." Algeria experienced two rounds of multi-party elections in 1990 and 1991. Broad-based political participation may indicate "fast-track" democracy, but questions about the feasibility of political Islam clashes with traditional notions of democracy.

This thesis will argue that Algeria's decision for a political opening was due to social pressures and exacerbated by economic difficulties posed by falling oil prices rather than motivated solely by political reform rationale. The events leading up to the riots and subsequent reforms will support this argument. Additionally, U.S. and regional policy implications will be examined.

14. SUBJECT TERMS Algeria, Algerian elections, Political Islam, Arab democracy, Zeroual, Bendjdid, Boumedienne, U.S. foreign policy in North Africa.**15.NUMBER OF PAGES**
102**16.PRICE CODE****17. SECURITY
CLASSIFICATION OF REPORT**
Unclassified**18. SECURITY CLASSIFICATION
OF THIS PAGE**
Unclassified**19.SECURITY CLASSIFICATION
OF ABSTRACT**
Unclassified**20.LIMITATION OF
ABSTRACT**
UL

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. Z39-18
298-102

Approved for public release; distribution is unlimited.

Algeria in Transition:
The Islamic Threat and Government Debt

by
Janice M. Wynn
Lieutenant Commander, United States Navy
BA, University of Washington, 1982

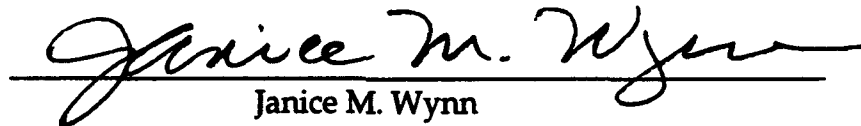
Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

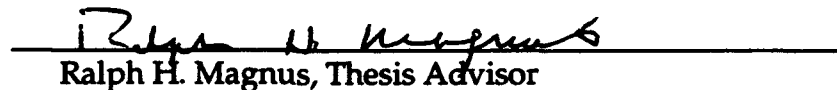
from the

NAVAL POSTGRADUATE SCHOOL
June 1994

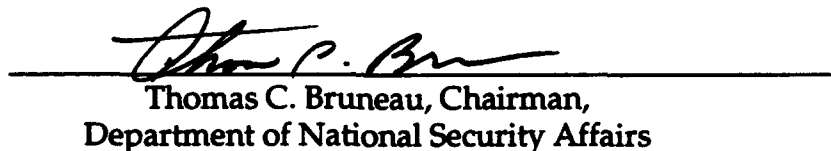
Author:


Janice M. Wynn

Approved by:


Ralph H. Magnus, Thesis Advisor


Claude A. Buss, Second Reader


Thomas C. Bruneau, Chairman,
Department of National Security Affairs

ABSTRACT

Algeria's current political crisis serves as a reminder of the fragility of attempts to reform governments in search of "democracy." Algeria experienced two rounds of multi-party elections in 1990 and 1991. Broad-based political participation may indicate "fast-track" democracy, but questions about the feasibility of political Islam clashes with traditional notions of democracy.

This thesis will argue that Algeria's decision for a political opening was due to social pressures and exacerbated by economic difficulties posed by falling oil prices rather than motivated solely by political reform rationale. The events leading up to the riots and subsequent reforms will support this argument. Additionally, U.S. and regional policy implications will be examined.

Accession For	
NTIS GRA&I	<input checked="checked" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Avail and/or	
Spec	
A-1	

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND	5
A.	PRE-ISLAMIC HISTORY	5
B.	THE ARAB CONQUEST	7
C.	THE FRENCH CONQUEST OF ALGIERS	9
1.	Economic Conditions	9
2.	Political Conditions	10
3.	Social Conditions	11
D.	THE RISE OF ALGERIAN NATIONALISM AND NEW ELITES	12
1.	Liberal Assimilation	14
2.	Islamic Reformism	16
3.	Radical Anticolonial Nationalism	17
E.	THE BATTLE FOR INDEPENDENCE	19
1.	The Early Years	20
2.	The Military and the Intellectuals	21
3.	The Authority Crisis- Who's in Charge?	22
III.	THE ONE-PARTY STATE, 1962-1989	24
A.	AHMED BEN BELLA	24

B.	HOURARI BOUMEDIENNE	25
C.	CHADLI BENDJEDID	26
D.	THE CRISIS OF 1988	27
IV.	THE PERIOD OF REFORM	31
A.	THE MUNICIPAL AND PROVINCIAL ELECTIONS OF 1990	35
B.	THE NEXT STAGE, POLITICS AS USUAL?	36
C.	THE GULF WAR	37
D.	THE LAST ROUND- FIS VS THE MILITARY	38
V.	ECONOMIC TRENDS	42
A.	LITERATURE REVIEW	43
B.	BACKGROUND	45
1.	Sowing Oil to Reap Industry	45
2.	U.S.-Algeria Liquefied Natural Gas Price Dispute	47
3.	Oil Price Collapse	48
C.	THE BUILDUP TO THE 1988 RIOTS	50
D.	ECONOMIC REFORMS	53
1.	External Debt Policy	53
2.	Public Sector Autonomy and Monopoly Dismantling	54

3.	Finance Reform and the Law of Money and Credit	55
E.	ALGERIA'S ECONOMIC FUTURE	55
1.	One Economist's View	56
2.	A View From Anadarko	58
F.	RECENT DEVELOPMENTS	61
VI.	PERCEPTIONS, PERSPECTIVES, AND U.S. POLICY OPTIONS	65
A.	APPEARANCES	65
B.	PERSPECTIVES	71
1.	The Gendarmerie	71
2.	Dr. William Quandt Looks Ahead	74
3.	Algerian Citizens Speak Out	75
C.	CURRENT POLICY	77
1.	Office of Maghreb Affairs	77
2.	The U.S. Ambassador to Algeria	78
3.	Secretary Parris' Testimony and Congressional Questioning	78
D.	COMMENTS FROM THE ALGERIAN EMBASSY	79
VII.	CONCLUSIONS	83
	BIBLIOGRAPHY	86
	INITIAL DISTRIBUTION LIST	90

EXECUTIVE SUMMARY

Algeria won its independence from France in 1962 after a protracted war. From 1962 until 1989 Algeria was run as a single party state. Major rioting took place in 1988, culminating in constitutional reforms and promises of broad-based, multi-party elections. What happened to the National Liberation Front's (FLN) ability to maintain power? What prompted the regime to move toward multi-party politics instead of merely suppressing the rioters? Why were the Islamists so popular at the polls? Did the regime have good cause to cancel the election results, or were the FLN and the military just unwilling to transfer power?

The FLN were not unopposed in the past, but there was no authorized, organized opposition. This thesis demonstrates that economic necessity coupled with social unrest precipitated the reforms. Election irregularities and concern over Islamists who may support "one person, one vote, one time" threatened the existing government, (and perhaps all who had visions of a secular Algeria) prompting the cancellation of election results. The "transition" period and today's insurgency are the results of cancelled elections.

Today in Algeria more than 60 percent of the population was born after independence. The youth do not feel the same respect for the FLN as do older citizens. When oil prices crashed in the mid 1980s, Algeria suffered tremendously. Hydrocarbons make up as much as 98 percent of Algeria's

exports. For every \$1 change in the price of a barrel of oil, Algeria's current account balance changed by \$500 million a year. Worse yet, in 1986 the dollar lost 40 percent of its value against European currencies, the same currencies whose countries Algeria depended on for two-thirds of its imports.

Revenue-sharing expectations were dashed after the price crash, and the growing separation between the rich and poor became more aggravated. The riots had nothing to do with democracy or political Islam, but they had everything to do with relative deprivation and growing anger.

After the riots, the state could have continued to operate in the same fashion. Those in power, President Chadli Bendjedid in particular, chose the road of reform. This may have been an attempt to spread the blame for the poor economic and social conditions, but research suggests there was also a genuine desire for reform.

The Islamists had the ability to coalition-build, using the mosques extensively for organizational and campaign matters. Outside funding from Saudi Arabia and elsewhere enabled the FIS to make good on some earlier promises. The success of the FIS was based on various reasons, including a desire by some Algerians to see an Islamic Republic of Algeria. Others used a vote for FIS as a protest against the FLN, or were swayed by good deeds, campaign rhetoric, and good advertising.

One need only to read the headlines to see what extremist Algerian radicals (most, if not all of whom were associated with the FIS) are doing to their fellow Algerian citizens and foreigners in the name of God and the Nation of Algeria. The regime remains committed to reforms and multi-party politics, but will not allow recognition of political parties based solely on religion.

H. O. Hirschman's theory of changing intolerance of income inequality fits the Algerian case. This thesis is based on interviews and research.

The United States should support the secular government during this transition period. The support needs to be accompanied by admonishment for human rights violations if necessary, and observers and assistance for free and fair elections once stability is restored.

I. INTRODUCTION

National Security Advisor Anthony Lake's September 1993 comment on the United States and foreign affairs could well have been attributed to Algeria's leaders on the eve of their first multi-partied elections, "We have arrived at neither the end of history nor a clash of civilizations, but a moment of immense democratic and entrepreneurial opportunity, and we must not waste it."¹

Unfortunately, Algeria's first democratic experience was by all accounts a short one. The important point is that the opportunity was not totally wasted. The memory is still fresh. Yet why did the military and the National Liberation Front (FLN) ruling elite resort to martial law and the *de facto* suspension of the 1989 Algerian Constitution? The startling successes of the *Front Islamique de Salut* (FIS, or Islamic Salvation Front) in the 1990 and 1991 elections surprised local and international observers alike. A review of some of the political science literature reveals almost giddy excitement for this example of "fast track" democracy. It may be too soon to make predictions about the return of "democracy" to Algeria. Rather, the focus of this thesis will be on the origins of the reforms, the suspension of the electoral process, the transition period, and possible U.S. policy options.

¹"Today's quote," *Washington Times*, September 22, 1993, p. 9.

The author suggests the state was facing a period of both economic and political crisis. The 1988 riots were **not** a call for democracy *per se*, but a call for liberalization and equality and an end to perceived corruption in the government. President Chadli Bendjedid's response could be seen as an opportunistic one; and maybe even a naive one as well. Before the whole experience is dismissed as a fluke, the following should be considered: first, as Fouad Ajami suggests, "civilizations don't control states, states control civilizations."² (Breaking this down one step further than Ajami's discussion of the "state" level: **individual state actors** can determine the direction of the Algerian "civilization", although the Algerian population as a whole should not be underestimated.) Second, the FIS benefitted from, and took advantage of, the reforms. They didn't initiate the reforms.

It is often said that history repeats itself. Perhaps then Algeria is and was ripe for yet another revolution. The magazines and newspapers continually report of Algeria on the brink of disaster. The comparisons that can be made between the "first" and "second" Battles of Algiers are numerous. Over time it appears the FLN changed its role, decisively or unwittingly, from that of the liberator to the repressor. If history does repeat itself, then maybe the struggle

²Fouad Ajami, "The Summoning," *Foreign Affairs* Vol. 72 No. 4 September/October 1993, p. 9. For example, the whole issue of human rights has its "cultural bias" detractors. Torture is not just a Middle East pastime. As Amnesty International points out, torture was "virtually eradicated in Algeria between 1989 and 1991." Amnesty International Report "Algeria, Deteriorating Human Rights Under the State of Emergency," AI Index MDE 28/04/93, p. 2.

was (and is) really between the elitist francophones (who supposedly were the Algerian nationalists) and the rising and disgruntled Algerian Islamists. This argument is not valid in the long run, since both the Islamists and the FLN are products of the French colonial system; both groups use French, and both groups direct their hostilities to France when convenient (even though France supported the FLN against the FIS). The bottom line sometimes is that power corrupts- pure and simple. More likely, however, was the failure of the FLN to coalition-build at the same time they were liberalizing; the FLN is and was not monolithic. The laws which permitted the existence of "free mosques," although not an uncommon phenomenon in the Middle East, unwittingly facilitated the organization of, and support for, well-organized opposition.

Was the regime really intent on reform, or was this an attempt to spread the blame for the declining socio-economic conditions? It seems the intention to "democratize" was an earnest one. The political actors on the Algerian stage are varied, and they certainly do not represent any monolithic ideology. Far from this, all factions (FLN, FIS, military...) were split along various and sometimes fuzzy lines. Recent history demonstrates how the FIS as a "front" could probably not join forces and agree on a clear vision for an Islamic Republic of Algeria. Also, the military reportedly is split between Islamists and secularists, and within the secularists between eradicators and conciliators.

How does Algeria's history of colonization affect the later democratization experience? It's worthy of a corollary investigation, but there's no causal

connection between the past and the recent electoral experience. Islam did, however, provide a "refuge of collective identity for Algerians, and Islamic sentiment was a constant source of anti-colonial resistance."³ The importance of the colonial history must not be underestimated. Although most Algerians were born after independence, there is a constant, collective memory of what Algeria had to endure in order to gain independence.

And finally, how can the FIS be adequately judged concerning their democratic intentions or lack thereof? The conflicting information collected could represent one of two generalizations. First, the non-threatening "soft sell" material used by the FIS was just a ruse to cover the more challenging possible outcomes for not only fellow Algerians, but also for concerned Western observers. Second, the mixed messages merely demonstrated the dilemma that there was no real shared notion of what the Islamic Republic would or should actually look like. Early support from Iran didn't necessarily help the image of the FIS.

This thesis examines the political, economic, and social conditions leading up to the 1988 riots, the "democratic experience" and the subsequent suspension and period of "transition". The role of the military is of extreme importance, and therefore warrants consideration as well. As for the international arena, special attention will be paid to the role of Algeria in world politics, including Desert Storm. And finally, what role should the United States play?

³Robert Mortimer, "Islam and Multiparty Politics in Algeria," *Middle East Journal*, Vo. 45, No. 4, Autumn, 1991, p. 575.

II. BACKGROUND

A. PRE-ISLAMIC HISTORY

The indigenous North African Berbers' history can be traced back to 6430 B.C. The cave paintings found in the Hoggar and Tassisi N' Ajjar regions (1,500 kilometers south of Algiers) recorded the lives of the earliest Berbers. John Entelis suggests sailors from Crete had established depots along Algeria's shoreline as early as 2000 B.C. When the Phoenician traders came, their trading posts "...constituted one of the earliest known cases of merchant empire building; the colonization set a pattern for North Africa...."⁴

Carthage was founded in 814 B.C. Intermarriage between the Berber chiefs and Punic aristocracy was not uncommon. The long Punic wars resulted in the destruction of Carthage by the Romans in 416 B.C. Berbers are considered to be Caucasoid; incidents of blond hair and blue eyes attest to that. Although the Romans ruled for 650 years, the Berbers did not really "assimilate." The Punic language was preserved, (a Semitic language) which later made Arabization a little easier during the Arab conquest.

The Berber language is primarily a spoken language. Related to Arabic, it is more likely Hamitic than Semitic. If so, this means Berber is closer to Somali and Pharaonic Egyptian. Currently only the Tuareg Berbers use the ancient

⁴John P. Entelis, *Algeria: The Revolution Institutionalized*, (Boulder: Westview Press, 1986) p. 7.

Berber alphabet known as *Tifinaq* to record their language. The use of Arabic script, however, is commonplace. The name Berber is also of questionable origin. Most scholars agree it originated from a derogatory Greek word meaning "non-Greek" later translated in Latin and Arabic to **barbarian**. The Berbers don't use this word to refer to themselves, preferring *Amazigh* which means free, or noble men.⁵

With the Romans came Latin, yet the vast majority of Berbers failed to assimilate Latin or Christianity. Those who did accept Christianity were disillusioned with Latin hierarchical domination. The Donatist heresy reflected this trouble. Donatus and his followers used this split from traditional Christianity as a form of political protest.⁶ This is quite interesting, since the native inhabitants behave similarly once Islam reaches North Africa. This is not to say the Berbers should be considered natural heretics, but the literature doesn't discount this tendency. Although they joined a universal religion, they found a way to express themselves.

During this period there were several Berber kingdoms, most notable was **Masinissa's Kingdom of Numidia**. Considered by historians to be not only a

⁵Peter Mansfield, *The Arabs* (New York: Penguin Books, 1990), pp. 37-38, and John Ruedy, *Modern Algeria: The Origins and Development of a Nation* (Bloomington: Indiana University Press, 1992) p. 9.

⁶Robert Rinehart, "Historical Setting," *Algeria: A Country Study*, Harold D. Nelson, ed., 4th ed. (Washington: U.S. Government Printing Office, 1986) p. 10. Saint Augustine was a Romanized Berber. He preached against the threat of Donatism, among other things. His book, *The City of God* is still widely read.

conqueror, but also an agronomist, economist, linguist, religious reformer, and philosopher. His son carried on the unity of the kingdom, but was not as successful. The kingdom became a Roman vassal-state. Masinissa's grandson **Jugurtha** tried to take back the kingdom from the Romans, but was betrayed by his rival, the Berber King Bocchus I of Mauritania and was turned over to the Romans. He was strangled in a Roman prison in 105 B.C. Some believe he's the first "Algerian" resistance fighter, which makes him a national hero to Berbers, in particular.⁷

According to Rinehart, the extended family was the basic unit of social and political organization among the Berbers. Families were bound by clans, and the clans formed tribes. For mutual defense the tribes formed confederations. Kings adapted Punic and Greek ceremonial forms. Although many Roman landlords and Latinized Berbers worked the Algerian land for grain export to Europe, just as many returned to the hinterland to become "retribalized" Berbers.

The Berbers host a few more invasions before the Arab conquest. The Vandals and the Byzantines would both attempt to claim the region.

B. THE ARAB CONQUEST

Unlike previous raiders, the Arabs came as missionaries and conquerors, not as colonists. The Berbers resisted for some time, and can boast of a legendary female resistance fighter, **al Kahina**. Under her leadership, the Arabs were held off for several more years. Shortly after she was killed in battle, the Berbers

⁷Entelis, pp. 6-10.

embraced Islam and quickly joined the ranks of the Arab armies for further conquests.⁸

Why would such a resistant group of people so willingly embrace Islam?

According to Entelis, it all goes back to the Carthaginian heritage:

However Hellenic its outward features, the Punic state had been essentially oriental, and many of its customs had taken root in North Africa. Arabic is related to the Hamitic tongue spoken by the Berbers. The invading Arabs were close to the Berbers in other ways as well. Both groups, for example, possessed lifestyles based on movement, plunder, and pastoral nomadism. Finally, the Berber tendency to heresy must have made Islam appealing....⁹

Although the Berbers embraced Islam, they did not embrace the dictatorial rule of the Arabs. As a means of political protest, they in large part adopted schismatic sects of the Muslim faith. *Kharijism*, (n egalitarian form of Islam which advocates God's authority as supreme, and that successors to the Prophet should be chosen based on merit, and that non-Arabs could be caliphs) was the route followed by many.

The Ottoman period allowed the Algerian elite to keep the Turks somewhat at a distance, as long as financing for the military Janissaries was taken care of at the local level. The famous period of the Barbary pirates took care of much of this financing. Local chiefs were allowed to take care of their people in accordance with customary laws and traditions.

⁸Reinhart, pp. 12-13.

⁹Entelis, p. 13.

C. THE FRENCH CONQUEST OF ALGIERS

Algeria's ties with France go back to the days of Charles X, Hussein Dey, and folklore of flyswatters and insults. Even if Hussein Dey called the French consul a "wicked, faithless, idol-worshipping rascal",¹⁰ most sources agree the French were looking for an excuse to occupy regardless. Algiers was captured on 5 July, 1830.

Unlike Morocco and Tunisia, Algeria was not a French protectorate. Algeria was annexed by France, then colonized and "civilized," eventually becoming an integral part of France. The French policies over the 132 year period systematically destroyed or repressed the traditional elite. The French colonists (*colons*, or *pied noir*) were French citizens, while the indigenous people were merely French subjects.

1. Economic Conditions

Similar in many respects to the Palestinian example, the Algerians were the victims of unfair taxation schemes, and sweeping land reform measures. Tribal lands were confiscated. Rinehart reports, "In 1909, for instance, Muslims, who made up almost 90 percent of the population but produced only 20 percent

¹⁰Rinehart, pp. 29-30. It's interesting to note that prior to this in 1794, the U.S. Congress decided to fund construction of warships to counter the threat to U.S. merchant ships posed by Algiers. In 1797, the U.S. signed a treaty with Algiers, agreeing to pay \$10 million dollars as tribute over a 12-year period to prevent harassment of U.S. shipping.

of Algeria's income, paid 70 percent of direct taxes and 45 percent of the total taxes collected."¹¹

Attempts to introduce the notion of private land failed miserably, and unintentionally encouraged corruption of the tribal leadership. The *colons* did well since their exports were geared for the French market (wine, citrus, olives, vegetables). The cereal production and stock raising found in the traditional sector did not do as well.¹²

2. Political Conditions

Algeria was divided into various regions depending on whether the population had a French/European majority (*communes de plein exercice*) or a European minority (*communes mixtes*). The southern area remained under military control. The European majority districts were based on the French model, and had a mayor and a municipal council. The predominantly Muslim communities were headed by French officials, and local Muslim leaders were appointed or elected.

Muslim intermediaries became known contemptuously as *Beni-oui-oui*, or yes-men. The administration policies further eroded any semblance of traditional elites, yet attempts at reform by the French government led to strong objections by the *colons*. French citizenship was denied to the Muslims, yet the

¹¹*Ibid.*, pp.41-42.

¹²*Ibid.*

Cremieux Decrees automatically conferred French citizenship upon the whole Algerian Jewish community.

After an uprising in 1871, Muslim areas were placed under exceptional rule. Due process was denied, more land was confiscated, and new offenses (such as unauthorized assembly and insolence) not punishable under French law were devised for the Algerians (muslims). The result was "...a sort of human dust on which we have no influence."¹³

3. Social Conditions

French cultural assimilation could be called civilizing, or it could be called cultural genocide. In many respects the period of French rule not only severed Algeria's traditional institutions, but it stunted and confused the process of nationalism and Algerian identity. This was not an accident. Leroy-Beaulieu, a nineteenth century advocate of cultural assimilation and colonialism, stated that

...the way to dominate a people is to assimilate it, to seize the youth in its infancy....The knowledge of the Koran is disappearing in Algeria; it must not be revived; it is a book full of bellicose exhortations against infidels and includes thousands of texts that can be used against us....¹⁴

This quote in many ways has relevance in explaining the FLN's later fears of the FIS. At the risk of stretching a metaphor, the following is offered. Politics in the Middle East almost always seems to showcase two kinds of

¹³Alistair Horne, *A Savage War of Peace: Algeria 1954-1962* (New York: Penguin Books, 1979) pp. 33-37.

¹⁴Quoted in David C. Gordon, *North Africa's French Legacy: 1954- 1962* (Cambridge: Harvard University Press, 1962) p. 11.

"legitimacy" trump cards: the liberators (or nationalists, and sometimes even colonizers) and the Islamists (or those who claim religiosity). In the hierarchy of Middle East political card games, religious authenticity and virtue attempt to outbid those holding the secular (and sometimes marked) cards of nationalists. Leroy-Beaulieu knew this, and so did Madani and Belhaj (FIS leaders).

The assimilation process coupled with the disruption of the indigenous traditional elite left the French in a quandary; they had successfully destabilized Algeria to the point of having no trustworthy *interlocuteurs valables*, and a nation of "evolved ones", or '*evolues*, who were neither French nor Algerian. The offer of French citizenship to a few (25,000 out of six million) not only upset the *colons*, but would have meant apostasy for the Muslims. Maurice Violette pushed for reforms, but was met with opposition:

When Muslims protest, you are indignant; when they approve, you are suspicious; when they keep quiet, you are fearful. *Messieurs*, these men have no political nation. They do not even demand their religious nation. All that they ask is to be admitted into yours. If you refuse this, beware lest they do not soon create one for themselves.¹⁵

D. THE RISE OF ALGERIAN NATIONALISM AND NEW ELITES

In response to the colonizing actions of the nineteenth century and the dismantling of traditional elites and institutions, Algeria experienced the emergence of new elites. Time was marching on for France's Algerian experiment, and there was no denying that world events coupled with French

¹⁵Quoted in Horne, p. 37.

policies would not go on without response. The traditional elites were replaced by three "types" of separate and unique nationalist movements. The remnants of these movements (or perhaps the influence of) could be seen during the heyday of multi-party politics between 1989 and 1991.

Several preconditions merit discussion in order to understand these movements. The French education policy of "evolving" and assimilation led to Muslim conscription in the French army alongside the *colons*. This was not well-received by the *colons*. Any actions towards equality upset the settlers to no end. Regardless, the experience of World War I gave credence to the song, "How ya going to keep 'em down on the farm after they've seen Paris?" Nearly 200,000 Algerian Muslims fought for France; 25,000 of them lost their lives.¹⁶

Many Algerians did not "stay on the farm" and moved to France to find work and a better life. Exposed to Arab nationalism literature and thought, seeds of nationalist aspirations were planted. There was also a cruel irony in much of the French educational materials: Algerians learned about liberty and the nobility of revolt by studying the French Revolution! According to Horne, "At their best, French schools provided an admirable breeding ground for revolutionary minds."¹⁷

Three nationalist groups developed in response to the dissatisfaction with the *status quo*. They by no means represented a united front, and were probably

¹⁶Entelis, p. 25.

¹⁷Horne, p. 61.

more divided because of the previously mentioned destruction of traditional institutions. The three movements were those of **liberal assimilation**, led by Ferhat Abbas, **Islamic reformism** embodied by Abdelhamid Ben Badis, and Messali Hadj's **radical anticolonial nationalism**.¹⁸

1. Liberal Assimilation

Ferhat Abbas represented the evolved, assimilated Algerians who had fared well under the system. Assimilationists were francophones, and truly admired all that was French- except of course the feeling of inequality. The assimilationist position evolved from initially wanting to be integrated fully into French society (citizenship without apostasy), to a drive for independence (while loosely associated with France).

Abbas did not initially believe there really was such a thing as an Algerian national identity. Until after World War II, his rationale was based on the following:

Had I discovered an Algerian nation, I would be a nationalist and I would not blush as if I had committed a crime....However, I will not die for an Algerian nation, because it does not exist. I have not found it. I have examined History, I questioned the living and the dead, I visited cemeteries; nobody spoke to me about it. I then turned to the Koran and I sought for one solitary verse forbidding a Muslim from integrating himself with a non-Muslim nation. I did not find that either. One cannot build on the wind.¹⁹

¹⁸Entelis, p. 36.

¹⁹Quoted in Entelis, p. 38.

By 1943, Abbas and others drafted the Manifesto of the Algerian People, calling for the creation of the Algerian state (associated with France), land reform, equality, and free education. This evolved into the Friends of the Manifesto and Liberty organization (AML). The AML was banned, and Abbas was imprisoned following the May 1945 massacre in Setif. What started out as a V-E day celebration led to a nationalistic demonstration that got out of hand. Dozens of helpless *colons* were killed. The French (army, police and vigilante settlers) response was to kill thousands of Muslims.²⁰

It seems that later the lessons of liberal assimilation were best learned by the predominantly Berber political parties, the Rally for Culture and Democracy (RCD) and the Socialist Front Forces (Fr. FFS). By this, the Berbers in a way have "assimilated" that which is both Muslim and Arab. What better way for a minority group to gain access to the political system than to join it? The very same thing was expressed about the French by Abbas. The same could be said by the FIS Islamists, but there's an important difference here. This may be too simplistic, but it seems the Berbers were looking to transcend ethnic cleavages through **broader** acceptance, while the FIS sought power and wanted to **narrow** compliance and behavior. The motivation is totally different.

²⁰*Ibid.*, pp.39-40. The final tally - 103 settler deaths, over 6000 Muslim deaths. Additional provocation came by the unfurling of the green and white banner which was made famous earlier by the legendary hero Abd el-Kader, considered the first Algerian nationalist. The Palestinian parallels are obvious; symbolism carries a lot of weight in this region.

2. Islamic Reformism

The realities of European technological and organizational superiority realized by many Algerians after World War I led to the desire to return to the past. The memory of a perfect and puritanical Islam may be a flawed premise, but it was convincing for many including Abdelhamid Ben Badis. The goal was to reassert, in an individual manner, the Islamic-Arab heritage of Algerians.²¹ In 1931 Ben Badis created the Association of Algerian Ulema. Its motto: "Islam is my Religion, Arabic is my Language, Algeria is my Country."²²

Ben Badis and his followers did a lot for the struggle of Algerian identity; almost in spite of their intentions. Their focus was on religion (ridding Algeria of Sufi orders, marabouts, and religious brotherhoods) but the corollary effects included the formation of religious schools and the promotion of ideas of Algerian unity (Berber/ Arab) that led to a new feeling of national consciousness. These religious schools would later be the training ground for future Islamists like Abbassi Madani, "He received a classical Muslim education (*Kuttab*) and courses

²¹ This Islamic revivalism was inspired by the *Salifiyya* (forefather) ideology which originated in Egypt. The problem with North Africa was not Islam, but the corruption of Islam. This is pointed out later during the election period as well. The problem was not with Islam, but with how the "state" tried to corner the market on their own interpretation of Islam.

²²Quoted in Entelis, p. 42. It's not surprising that Algeria's current Constitution begins with these fundamental principles of the Republic, "Algeria is a popular, democratic state. Islam is the state religion and Arabic is the official national language."

in theology first at Sidi Okba, and then at Biskra where his family moved in 1941...²³

Anyway, this national consciousness was by no means compatible with the ideas of Abbas. Ben Badis rebutted Abbas' writings on the absence of an Algerian nation with a history lesson of his own:

History has taught us that the Muslim people of Algeria were created like all others. They have their history, illustrated by noble deeds; they have their culture, their customs, their habits with all that is good and bad in them. The Muslim population is not France, it cannot be France, it does not want to be France....It possesses its fatherland whose frontiers are fixed, and this is the Algerian fatherland.²⁴

3. Radical Anticolonial Nationalism

The third variety of Algerian nationalism is that of the militant and separatist Messali Hadj. The development of an Algerian semiproletariat class was attributed to, among other things, a high Muslim birthrate, the increase of casual day labor (replacing sharecroppers) and unemployed males, and the influence of French workers on those Algerians working in France.

The North African Star (ENA- *Etoile Nord Africaine*) was created in Paris, 1926. Formed in order to protect the "material, moral, and social interests" of Muslim North African workers, the group quickly evolved under the leadership of Messali Hadj. By 1927 ENA was calling for the independence of Algeria, Morocco and Tunisia, property confiscation from *colons*, the creation of

²³Francois Burgat and William Dowell, *The Islamic Movement in North Africa*, (Austin: University of Texas Press, 1993) p. 275.

²⁴Quoted in Entelis, p. 44.

a national army, and the removal of all French troops.²⁵ Needless to say, this was not well-received by the French authorities.

Imprisoned and later released, Messali went to Switzerland to contemplate and modify his marxist-based philosophy. When he returned to Algeria in 1937 he formed the Algerian People's party (PPA- *Parti du Peuple Algerien*). This ideology seemed to be just the right blend of massed-based nationalist socialism and Islamic ideology. However, this too was not to last. Still attempting to be a "legal" party of sorts, it was too repressed by the French government to be very effective. Messali then formed (after another stint in prison) the Movement for the Triumph of Democratic Liberties (Fr. MTLD). This group also worked within "the system" although it produced impatient activists. (The same could be said later about the FIS- the majority of the campaign work was above board, the "impatient ones" conducted more secretive work.)

The Special Organization (Fr. OS) was formed as an alternative clandestine organization for the impatient ones. Instead of solidifying the move for independence, this dual set-up evolved into a two-headed monster: the ideology of the MTLD clashed with the violent notions of the OS. The French secret service discovered the OS in 1950. Messali was arrested again, but this time he was also deported to France, remaining there through most of the struggle for independence. Entelis comments on the eventual demise of the two groups:

²⁵*Ibid.*, p. 46.

The combination of ... an inarticulate ideology, a cult of personality leadership, organizational splits between overt and covert operations, political divisions involving Messali and the centralists, and the growing impatience of a revolutionary generation more predisposed to using force and violence- made conventional political discourse within the French constitutional framework outdated and irrelevant."²⁶

The problems delineated by Entelis led to internecine killings- a point to ponder since this will not be the last time this happens. Many Algerians will go on to kill their fellow Algerians; before, during, and after their struggle for independence. Just as the Palestinians suspected of collusion with the Israelis are killed by fellow Palestinians, the lines of acceptable behavior seem to always blur. There are few monolithic national views, but the moral issues of fratricide should not be brushed aside as acceptable collateral damage during any period of transition. Today again Algeria is faced with the tragedy of fratricide even as this paper is being written. The government and the reporters call them "terrorists," but they are also Algerians.

E. THE BATTLE FOR INDEPENDENCE, 1954-1962

Desperate times lead to desperate measures. The groups described above led by their new elites had their turn at working with France to liberate Algeria, now it was time for another approach. Ahmed Ben Bella (Algeria's first president after independence) and eight others formed a new group, the Revolutionary Committee for Unity and Action (Fr. CRUA). CRUA comprised the nine historic

²⁶*Ibid.*, p. 48.

"chiefs" of the revolution. Renouncing past nationalist rivalries, they focused instead on the violent overthrow of French colonial rule.

1. The Early Years

The revolutionary committee split their operations into "internal" and "external" groups. The internal groups divided Algeria into six regions with primary and secondary leadership assigned. The externals were based in Cairo. On All Saints Day 1 November, 1954, the revolution began in the name of *Front de Liberation Nationale* (FLN). But there was no spontaneous spread of a mass revolution. As history shows us time and again, organizational skills are an asset during periods of revolution. The first stage leaders seemed to be perhaps more interested in a quick start that would assure their spot in the history books.

By 1955 it was clear that the revolutionaries needed to do some coalition-building with the other, more established political groups. (Messali was not impressed with the revolution, and had formed yet another group *Movement National Algerien* (MNA) to oppose the FLN.) By 1956 some liberals (Ferhat Abbas included), a few militants from the *ulama*, and radicals from MTLN had joined forces with the FLN. Therefore, in addition to the masses, several elites joined the unified effort.²⁷

Ben Bella seemed to be placing the externals above the internals, and the Congress of the Soummam was convened to settle a few of these organizational

²⁷William B. Quandt, *Revolution and Political Leadership: Algeria, 1954-1968* (Cambridge: The M.I.T. Press, 1969) pp. 96-98.

problems. According to Quandt, the outcome condemned the "cult of personality."

The Platform principles:

1. Primacy of the interior over the exterior.
2. Primacy of the political over the military.
3. Collegial decision-making.²⁸

If there were problems with number three, the French government provided a back-handed assist when they kidnapped Ben Bella and four others of the historic "nine" in an airplane bound for Tunis. The pilot was French.

The next decisions to call an eight-day Muslim strike and the Battle of Algiers were the results of the revolutionary- politician coalition. Yet they were still not able to successfully lead the war of independence. Who were the new contenders?

2. The Military and the Intellectuals

The "theft" of the FLN's top leadership coupled with the massive retaliation by the French to the urban warfare necessitated the inclusion of two more groups- the military and the intellectuals. These people generally were younger than the revolutionaries and the politicians, and their initial willingness to follow the senior leadership was more likely due to a lack of ideology than anything. All they really knew was they wanted an independent Algeria.

²⁸*Ibid.*, p. 100.

The military provided a fast track for advancement during the middle years of the war in particular. Quandt studied their socialization and background; discovering many similarities with the revolutionaries. The biggest difference? According to Quandt, "Whereas the Revolutionaries felt strongly that they alone should guide the revolution, the *militaires* in general lacked the strong sense of personal ambition for power."²⁹ And finally, the military gained influence as a whole because of their warfare skills and monopoly over the means of violence.

The intellectuals were not immune from violence (some served as guerrillas) but their role as technicians was paramount. Doctors, engineers, lawyers, journalists, women nurses, students and teachers constituted the majority of the intellectuals. Their backgrounds were similar to the politicians, yet they lacked early political participation. The intellectuals brought administrators and theoreticians to the FLN. Most importantly, they broadened and legitimized the FLN power base.³⁰

3. The Authority Crisis- Who's in Charge?

Frantz Fanon believed that there was therapeutic value for the act of participation in violent activities. In his book, *The Wretched of the Earth*, Fanon went one step further to predict:

²⁹*Ibid.*, p. 113.

³⁰*Ibid.*, pp. 115-124.

But it so happens that for the colonized people this violence, because it constitutes their only work, invests their characters with positive and creative qualities. The practice of violence binds them together as a whole, since each individual forms a violent link in the great chain, a part of the great organism of violence which has surged upward in reaction to the settler's violence in the beginning. The groups recognize each other and the future nation is already indivisible.³¹

Indivisible is perhaps the wrong word. The last several years of the war were marked by questions of authority and legitimacy. (These same questions would plague the 1988 protesters.) A provisional government (Fr GPRA) was formed in 1958. There was much infighting, strangely enough the disagreements were more personal power struggles than ideology struggles.

Moving to 1959, France's De Gaulle pulled what could be called a "Nixon in China" ³² move. However, this was not well received by the French army or by the *colons*. More blood was spilt, and the negotiations finally paid off. Algeria was declared independent on 5 July 1962.

³¹Frantz Fanon, *The Wretched of the Earth* (New York: Grove Press, 1963) p. 93.

³²Just as the anti-communist Nixon surprised many with his visit to China, De Gaulle seemed very set on keeping French Algeria- until his speech that opened the path for Algerian self-determination. (See Horne pp. 344-346.)

III. THE ONE-PARTY STATE, 1962-1989

Power struggles ensued; instead of forging a new political elite, the revolution left few leaders who were willing to compromise. It's interesting to note that the new independent regime was quite willing to initially accept the French law as the basis for its legality. So the colonial system was dismantled while the existing legal system was kept in place.

A. AHMED BEN BELLA

Algeria's first independent leader quickly consolidated his power base by discrediting or diffusing potential opposition, working instead with "numerous clans, factions, and cliques, none of which [had] power enough to dominate the entire system."³³ Fanon's vision of an indivisible nation was far from the truth.

Ben Bella faced a considerable economic and social disaster- the European exodus left the country at a standstill. Unemployment was perhaps as high as 70 percent. Ben Bella was compelled to imposed emergency austerity measures. Yet in a way Algeria inherited a large boost- much of the land was cultivated, buildings and infrastructure already ripe for state monopolies, and the hydrocarbon contribution was particularly beneficial. SONATRACH formed as a holding company for the state's interests in the hydrocarbons sector. The state incorporated a workers' management system known as *autogestion* to support the

³³Quandt, p. 11.

first notions of "Algerian socialism." Within a year, Ben Bella was not only the President, but also the Secretary-General of the FLN, Commander-in-Chief, Head of State, and Head of Government³⁴

His dictatorial tendencies got the best of him, and he left office due to a "bloodless *coup*" compliments of his Minister of Defense, Colonel Boumedienne. As fate would have it, Ben Bella returns to the forefront from exile after the 1988 riots. The "dictatorial" Ben Bella must have mellowed over the years. According to one report, Ben Bella stated (Oct. 6, 1988), "Algeria is hungry and thirsty. We're not only short of wheat but also of democracy. We are hungry and thirsty for democracy, hungry for freedom of expression."³⁵

B. HOURARI BOUMEDIENNE

The Boumedienne era was a period of rapid industrialization and agrarian reform. (The landed elite were displeased by the 1971 land reform measures.) The 1973 oil price surge perhaps ballooned Boumedienne's head as well. Algeria was viewed by many as an inspirational example of self-determination. Boumedienne liked the soapbox position he held, and he used it frequently to lecture the "West."

³⁴Rinehart, pp. 74-83.

³⁵(Sounded like he was hungry for sound bites.) Quoted in FBIS-NES-88-195 "Former President Ben Bella Calls for Democracy" 7 Oct. 1988, p. 10.

The FLN was marginalized during this period; many leaders were silenced, murdered, imprisoned, or exiled. The military and the "technocrats" gained more influence at others' expense. The economic system in place started to widen the gap between classes. A blind eye was turned away from the poverty as many of the privileged enjoyed the perks of a corrupt system; dismissed by Boumedienne as the "*nomenklatura's* honey."³⁶

As Cheriet points out, the 1976 National Charter and Constitution set the stage for future unrest. The call for Islam as the state religion opened a door for the Islamists, and socialism was falling short of its equality for women. After his sudden death in 1978, it was the beginning of the end for a legitimate successor regime.³⁷ Boumedienne died unexpectedly due to a rare blood disease in 1978.

C. CHADLI BENDJEDID

Emerging from the military corner, Bendjedid was relatively unknown. His nomination was in part made to smooth over a divided FLN congress. Bendjedid embarked on a mission of flexibility and liberalization. He encouraged privatization and foreign investment, yet backed off of Boumedienne's heavy industry projects (some say this was quite detrimental, blaming Bendjedid for not understanding the need for infant industry protection).

³⁶Francis Ghiles, "Algeria Locked in a Vicious Cycle of Violence," *Middle East International*, 9 July, 1993, p. 18.

³⁷Boutheina Cheriet, "The Resilience of Algerian Populism," *Middle East Report*, Jan-Feb 1992, p. 13.

Still relying on the three pillars (state, army, and party), Bendjedid implemented reforms which exacerbated the economic and social structure. The oil crash of 1986 in essence left the state in a situation where it was no longer able to properly meet the demands of the "social contract" with its citizens. The gap between the haves and have-nots was widening. (See Chapter V for the economy.) It seemed like one hand didn't know what the other was doing. Attempts to push for Arabization upset the Berber community, the family law bill passed in 1984 was at loggerheads with women who thought they might be equal partners in the "democratic, popular, modern, Socialist Islamic republic."³⁸ Bendjedid's Algeria was a political time bomb; too much, too fast.

D. THE CRISIS OF 1988

The economic reforms led to the dismantling of state corporations. This led to increased unemployment, mounting foreign debt and an increased reliance on food imports among other things. According to Mahfoud Bennoune, former Director of the Institute of Planning and Applied Economics, the crisis coincided with the first months of Bendjedid's second term in office- sparked by widespread rumors of corrupt activities of the President's family. On September 19, Bendjedid went on national television and admitted the government was near

³⁸Cheriet, p. 13.

bankruptcy, "He brazenly put the blame on everyone but himself."³⁹ (By November he admits that 80 percent of the corporations he "reformed" were in the red, though.)

In the "Second Battle of Algiers" anywhere from 160 to over a thousand people perished. 5 to 10 October, 1988 marked the riots that supposedly led to democracy. Khalid Duran looked at five areas of discontent to explain the riots: human rights, the economy, the bureaucracy, religious policy, and foreign affairs.⁴⁰ It was not just "petrol and couscous".

Duran includes the lack of a free press in the human rights but also focused on the use of torture (including minors). Specifically, when wounded demonstrators were brought to the hospitals, the police pursued. In the aftermath, 400 security personnel were said to have been punished for their behavior. Commenting on torture practice specifically, Duran states the influence of East German training was evidenced.

Since independence the population of Algeria grew from nine million to 25 million. As stated elsewhere, heavy industry was pursued at the expense of agriculture. There were not enough teachers to meet the demands of a growing

³⁹Nabeel Abraham, "Algeria's Facade of Democracy," *Middle East Report*, March-April, 1990, p. 11.

⁴⁰See Khalid Duran, "The Second Battle of Algiers," *Orbis*, Summer 1989, pp. 403-421.

population. The status of women was particularly perplexing. The 1984 Family Law legislation included the following:

*Article 7- fixed different ages for marriage (21 men, 18 women);

*Article 8- polygamy within the limits of the Koran;

*Article 11- "the conclusion of the marriage for the woman is incumbent on her matrimonial tutor who is either he father or one of her close relatives."⁴¹

The Arabization process seemed to be merely a product of smoke and mirror bureaucracy. It was a program on paper that wasn't working. Algeria was **unable** to provide quality training in Arabic, yet it was forced on the population. That was, of course unless you were a top bureaucrat -then the children could receive the best French education available.

Duran criticizes the older generation of bureaucrats for their lack of Arabic proficiency, noting that this group, "...rich and clannish, uses the French language and apes the colonial manner, camouflaging ignorance with hauteur and incompetence with ideology."⁴² Duran fails to comment on the French training of the Islamists, however. The bottom line is that the old guard was viewed as a thing of the past. Sixty percent of the population was born after independence. In 1988 the focus was "hey, I'm poor thanks to you, FLN" not "thanks for the liberation."

⁴¹Burgat and Dowell, p. 258 fn.

⁴²Duran, pp. 410-411.

Not unlike Israel's support for HAMAS, Algeria had been propping up the "Islamic" side of their national charter through token demonstrations that occasionally backfired. For instance, Muhammad al-Ghazali (formerly of Egypt's Muslim Brethren) was invited to come and teach at the University of Constantine as a ploy to keep the fundamentalists calm. However, he soon had a following. Ghazali's ideas were recycled and used as demands against the state. On the flip side, this appointment was used to point out the hypocrisy of the state's desire to keep away outside influence of "Algerian Islam."⁴³

The non-aligned-yet-tilting-toward-USSR position was not that popular with most Algerians. As Duran states, "... Algerians had developed a distaste for this policy, and this distaste influenced the October Revolt."⁴⁴ The distaste included for example, the positions taken over Morocco and the Western Sahara and the Soviet invasion of Afghanistan.

⁴³Burgat and Dowell, p. 268 fn, "It is curious that they don't stop repeating to us that Algerian Islam should guard against outside influences....and then they look for an Egyptian for us!"

⁴⁴Duran, p. 412.

IV. THE PERIOD OF REFORM

Surprisingly, the "full" account of the October riots may not be out. One interview actually suggests the state had something to do with its initiation (beyond the economic disaster, that is). What is known is that this was a major event in Algeria. The violence was the worst since the war for independence. The military (not the police) was called upon to subdue the rioters. The resultant deaths and torture did more to separate the Algerian people from the legitimate rule of the FLN and its army than could ever be restored.

A review of the Foreign Broadcast Information Service (FBIS) during and after the period of revolt is quite revealing. The gamut of reporting went from the amusing to the poignant. Although there wasn't much of anything to be amused about, the interview with YAR President Salih stressed the disturbances were "masterminded by hostile forces....the chaos must have been orchestrated by imperialist and Zionist forces..."⁴⁵

A rather ominous news announcement stated:

Good evening, ladies and gentlemen. To restore calm in our white city of Algiers, it is requested that citizens respect and not violate the instructions...made public by the Military Command....Discipline and calm are among the characteristics of a good Algerian citizen.⁴⁶

⁴⁵FBIS-NES-88-196, "Bendjedid Confers With Salah" 11 Oct. 1988, p. 11. Chalk one up for the conspiracy fans.

⁴⁶FBIS-NES-88-196, "Public Asked to Respect Military," 11 Oct. 1988, p. 9.

And finally the obtuse:

Algiers today restored its vitality and cheerfulness by departments resuming their activities and life resuming its continuous movement through workers reporting to their posts and shops opening in complete safety and security.⁴⁷

Bendjedid must have been a realist at this point. Given the crossroad options available, he took the high road and opted to reform as opposed to repress. He must have known this was the only viable option available. The move toward reform and the opportunity for the Algerian citizens to express their "opinions" was made rapidly and with what could be called high hopes. By the time the November 3 referendum was held, the move to amend fourteen articles of the previous Constitution was a *faite-accomplie*.

The October riots led Bendjedid to seek out a spokesman or "representative" of sorts from the people in order to continue with some form of organized call for the "public opinion" he referred to earlier in his reform speech. The only group organized enough to meet the needs of widespread non-government connections were the Islamists- Abassi Madani, Ali Belhadj, and Mahfoud Nahnah in particular.

Among other things (Prime Minister and National Assembly reforms) the major reforms of February 1989 involved the move to a multiparty system, and the freedom to form political associations. **This included the right to form**

⁴⁷FBIS-NES-88-196, "Life Returns to Normal," 11 Oct. 1988, p. 17.

Islamist political parties, something the neighbors in both Tunisia and Morocco didn't want to even think about. Although technically the 1989 law banned party formation which advocated intolerance or those formed along mainly confessional lines, this was overlooked during the party "build-up" stage. The true motivation for this "oversight" is still not known. According to a great quote from Bendjedid, his justification for the FIS:

The activities of the Islamist party are submitted to precise rules. If they respect them, we cannot forbid them. We are Muslims and it is important for us to encourage Islam in its just conception, not the pseudo Islam of myths and extremism. If certain people do not look on this legalization kindly, that is their affair. For our part, it is not conceivable to apply democracy to Communists and to deprive the current which preaches spiritual belonging....Democracy...cannot be selective.⁴⁸

This quote sure sounds like Bendjedid's intentions were honorable, at least at the start. However, others believe the hope was "the more, the merrier" leaving the FLN as the clear majority choice. Other reforms concerned respect for human rights and the abolition of torture, and a more open press.⁴⁹

⁴⁸Burgat and Dowell, m p. 274.

⁴⁹An interesting "leftover" of the open press is the presence of personal ads in the papers. "First instituted in Algeria in 1989 with the country's democratic opening, personal ads have survived the pervasive censorship imposed since the military coup....as political life has been shut down and unemployment has climbed to 50 percent among the young, newspapers have been flooded with bags of mail from those searching for a way out." Chris Hedges, "Looking For Love (Shh!) in Ads," *The New York Times*, Sec. IX, p. 3:1, 9 May 1993.

Bendjedid's opening led to the approval of over 30 political parties. The platforms and histories of all the parties are beyond the scope of this thesis, but the FIS merits additional attention. As stated earlier, Madani was the product of classical Muslim training, he was also the product of French secondary schooling and the war of independence as a member of CRUA. After independence, he continued his studies in psychology, philosophy, and education, receiving his PhD in London. Impressive as this all may be, Madani was to end up in and out of jail over the years. He's currently serving a 12 year sentence (with his partner Belhadj) for conspiring against state authority, causing harm to the economy, and distributing seditious tracts.⁵⁰

If Madani played the FIS soft-sell "good cop," his alter ego belonged to the fiery Ali Belhadj. According to Burgat, Belhadj was born in Tunis, and orphaned during the war of independence. His background education is exclusively religious, and he has quite the flair for dramatics. People who know him have also said he seems more like a mystic than a politician, and that he has a very distorted (if not caricature) view of the West since he's not a travelled man.⁵¹

⁵⁰Middle East Watch/Lawyers Committee for Human Rights report on Algeria: "Lawyer Brahim Taouti, Active in Human Rights, Gets 3- Year Sentence; Two U.S.-Based Rights Groups Urge His Release," May 11, 1993, p. 3. Later reports indicated that Madani and Belhadj would be released for Ramadan. Algerian Embassy personnel confirmed they are in fact still incarcerated.

⁵¹Burgat and Dowell, p. 276.

Regardless, these two men fell in and out of favor during the period of political opening.

A. THE MUNICIPAL AND PROVINCIAL ELECTIONS OF 1990

As Arun Kapil stated, "The scale of the FLN defeat and FIS victory cannot be overstated."⁵² In his article he lists the various impressive figures, including a 54 percent national popular vote, and 854 of the 1,541 communal assemblies. This was very good considering the fact that there weren't even FIS candidates in 276 of the communes. The provincial elections were also decisive; the FIS took 32 of the 48 *wilaya* assemblies. The only area the FLN held was in the south and east sections which were considered "home court" for FLN/military elite. The weakest area for the FIS was in Kayble (Berber region)- this area belonged to the RCD. Also, it would be interesting to see how this first round would have gone had the FFS not boycotted the elections. Many of those loyal to FFS cast their "protest votes" to the FIS.

Did Bendjedid want the FIS to take a large enough piece of the pie to offset opponents to his own economic reforms? Probably not, but the thought may have crossed his mind. The period around the elections was a divisive one for the FLN. If ever there were visible signs of splits and opposition, this was probably it. However, as far as elections go, this first round was pretty clean.

⁵²Arun Kapil, "Algeria's Elections Show Islamist Strength," *Middle East Report*, September-October 1990, p. 31.

The fact that husbands could cast votes for their wives is valid cause for a little scrutiny, but the large visible groups of women who supported the FIS casts doubts on the belief that all women would naturally be opposed to a FIS victory and all that it would entail. There were, however, groups of women who protested against the possibility of FIS control.

B. THE NEXT STAGE- POLITICS AS USUAL?

In the best political traditions, the first comments out of the mouths of politicians probably wouldn't have been cleared by their handlers. Prime Minister Hamrouche responded to the defeat, "...our defeat attests even more to our desire for a democratic opening than would a victory in which one would have been suspected of irregularity."⁵³

The next step was to attempt to discredit the FIS. Some of these maneuvers backfired: as stated earlier, the French supported the "secular" FLN and feared the FIS. Both parties tried to capitalize on anti-French sentiment. The result was that the FLN lost its nationalist edge, but the FIS- Madani in particular- remained vilified by the French media. (Not unlike the backfire of anti-Rush Limbaugh "most dangerous man" nonsense, Madani's caption read "the man who frightens France."⁵⁴)

⁵³Bourgat and Dowell, p. 283.

⁵⁴*Ibid.*, p. 282.

C. THE GULF WAR

Prior to August 2, 1990, the FIS concerned itself with the FLN, but was also concerned with the moderate opposition parties and the issues of religion, segregation and dress. A third rivalry focused on the public sector-private enterprise chicken-before-the-egg economic debate. And finally, the whole Arabization debate was enough to keep anyone's attention divided. But after 2 August, all bets were off. The crisis transcended political differences (at least for a while) and actually "... radicalized the international outlook of the younger generation and helped bridge the gap that had opened between those Algerians who remembered or took part in the national revolution and those born since independence..."⁵⁵

Roberts suggests the message received by the Islamists is that they needed to expand and stay in touch with their constituency. What followed was a strange and delicate tightrope walk of international intrigue. Algeria was the first Arab state to condemn Saddam Hussein's actions. However, almost immediately the focus was shifted to Western meddling in Arab affairs. The FIS decided to get a leg up and so Madani and Belhadj went off to mediate. Madani skirted the issue by saying something like "too bad we have to have any borders between Arab nations." But Belhadj assumed a more aggressive role, finding fault with

⁵⁵Hugh Roberts, "A Trial of Strength: Algerian Nationalism," in *Islamic Fundamentalism and the Gulf Crisis*, ed. James Piscatori, (Chicago: The Fundamentalism Project, 1991) pp. 132-133.

both parties. Meanwhile, Ben Bella makes another comeback performance- this time, however, he outflanks FIS with a very pro-Iraq position. Who represents the government of Algeria? The messages were mixed at best.

On 18 January, 1991, Belhadj organized a huge demonstration, declared himself Minister of Defense, and tried to organize an army to go fight for Saddam. Two days later a headline read, "The Algerian Army and the War in the Gulf: A Lion When it Fights the Islamists, an Ostrich in Time of War."⁵⁶ By 21 January 1991, Bendjedid made a speech to the National Assembly. Both sides (FIS and Ben Bella) were chastised for their "anarchistic agitation."⁵⁷

D. THE LAST ROUND- FIS VS THE ARMY

Belhadj certainly hadn't positively influenced the Algerian military during his Gulf War escapades. The FIS was slightly weakened after the war, but had proved it could "mobilize the masses." The FLN regained some confidence, and went on with the business at hand- destabilizing the FIS. 1 April brought with it a new electoral law, provided for two rounds of voting, kind of a "winner take all." Also, the redistricting which took place heavily favored the south, where the FLN had a better chance of success.

Other maneuvers were taking place on all sides. The mosques were banned for political use, the FIS in turn demanded stricter observance of Ramadan

⁵⁶Burgat and Dowell, p. 292.

⁵⁷Roberts, p. 141.

restrictions. The voting laws were changed again to restrict a husband for casting his wife's (or wives') vote(s), the FIS called for a general strike, etc..

By May 1991, Belhadj escalates: "The FIS has committed itself to the immediate implementation of Islamic law and trying former Algerian officials if it wins the general elections scheduled for 27 June." And also:

"We are going to catch all the thieves and sell everything they own to pay their debts. There will be no forgiveness. The ministers and the military will be tried for having killed and tortured Muslims."⁵⁸

One can imagine the warm reception this message had with the government. Martial law was declared on 5 June 1991. Foreign Minister Sid Ahmed Ghazali (a technocrat who had previously been in charge of SONATRACH, the state-owned oil and gas corporation) was next "in the barrel" as Prime Minister, replacing Hamrouche. The army had been tucked away since the 1988 riots. Now that it was back in full force, would the soldiers be all wound up with no place to go? Hardly. The crackdown which followed, although nowhere near the level of the 1988 riots, resulted in the arrest of hundreds of FIS "militants" including Madani and Belhadj. By September the siege was lifted, but the memory was still fresh.⁵⁹

⁵⁸FBIS-NES-91-092, "Belhadj Warns FIS Will Try Ministers, Military," 13 May, 1991, p. 4.

⁵⁹Ruedy, pp. 253-254.

The FIS, without their leaders, was filled with internal divisions. As stated earlier, there was much confusion over what exactly the Islamists wanted to achieve. The hope of many was that the Islamist party wished to integrate into the system without toppling the current regime. Wishful thinking? Perhaps. On the eve of 26 December, 1991, the vote tally resulted in 188 seats secured outright for the FIS. There was not to be a second round.

According to Abdelqader Hashani, interviewed for *The New York Times* at an Algiers exhibition hall designed to demonstrate how economic, social, and political problems would be handled by the FIS once they were in power, "It must be clear that we are coming to government to solve the problems of Algerians."⁶⁰ He was sure that the Islamists would be victorious in the second round of elections as well. When asked about mandatory veiling of women, among other Islamic edicts, the article closed with Hashani's reference to "persuasion;" the Islamists would "...persuade, not oblige people into doing what we say."⁶¹ Hmmm.....

The "dispossessed" majority were to remain so. The election results were cancelled, and President Chadli Bendjedid found himself unemployed and under house arrest.

⁶⁰Youssef M. Ibrahim, "Islamic Plan for Algeria is on Display," *The New York Times*, Jan. 7, 1992. p. A3.

⁶¹*Ibid.*

What happened? The prospects of yet another FIS victory were just too grim for the ruling elite. The military leg of the triad of strength had been gaining power ever since the 1988 riots. Although they were "put on ice" for a while, the strength of the military was evidenced by the President's forced resignation. The true test of survival politics vs continued emphasis on reforms was to have been at the end of December, 1993, when the "mandate" for the High State Council expired.

Algeria has miraculously managed (until this year) to hold off rescheduling its 26 billion dollar foreign debt. As in the past, the economy has and may once again act as a type of catalyst which propels the next modification to Algerian politics. The actual motivation for the democratic reversal is still debatable.

V. ECONOMIC TRENDS

The Democratic and Popular Republic of Algeria is the second largest country in Africa. Encompassing 2,381,741 square kilometers, this North African nation is home to more than 26 million Algerians. Most of the population (96 percent) live in the north, as the country's agriculture and industry are also concentrated there.

Once considered to be a leader of the Non- Aligned Movement, this young independent nation enjoyed enormous levels of political legitimacy due to its inspiring war of independence. Algeria's focus now, however, is more on internal, vice external matters. The recent experiment with democracy has so far met with tragic ends. The author suggests the powers that be in Algeria chose to embrace (at least temporarily) multi-partied elections and reforms for two reasons: first, the rise of the Islamist opposition and radicalization against what appeared to be a corrupt regime, and second, economic imperatives. Rephrased, Algeria faces the dual dilemmas of the Islamic threat and government debt.

This chapter focuses on the evolution of Algeria's economy, from a Centrally Planned Economy (CPE) to the attempts of transition towards a more open-market oriented society (briefly including the French colonial inheritance). The main goal of this study, however, is to attempt to link the oil crisis of 1986 to the

riots of 1988 to the subsequent period of reforms from 1989 to 1992. By 1994 the "lid" is back on the pot, but the pressure continues to rise.

A. LITERATURE REVIEW

Several authors suggest there is a linkage between economic imperatives and political opening. The Middle East political economy in particular has been studied in depth. Giacomo Luciani studied oil rent and its role as a factor perpetuating authoritarian government. He suggests a fiscal crisis of the state as a factor encouraging a greater demand for democracy. "Subsequently, ... the fiscal crisis of the State - linked to the decline or disappearance of the source of the rent - may be an important stimulant to [the] democratization process."⁶² Therefore, the fiscal crisis may explain the different state responses to riots in 1985 (before the oil price crash) and the response to the 1988 riots.

Perhaps the most thorough regional review is Alan Richards and John Waterbury's *A Political Economy of the Middle East: State, Class, and Economic Development*. Throughout their work, the interrelation of politics and economic development is stressed. Specifically, the framework of their study focused on the interaction between (1) economic growth and structural transformation, (2) state structure and policy, and (3) social class.⁶³ Another pertinent discourse is provided by Alan Richards in "Economic Imperatives and Political Systems in the

⁶²Giacomo Luciani, "The oil rent, the fiscal crisis of the state and democratization," Unpublished paper, 1993, p. 3.

⁶³Alan Richards and John Waterbury, *A Political Economy of the Middle East: State, Class, and Economic Development*, (Boulder CO: Westview Press, 1990) p. 8.

Middle East and North Africa." He identifies three immediate core challenges: jobs, food, and money. According to Richards, "[some] believe 35 percent of young Algerians will never have a job."⁶⁴ Food self-sufficiency is not a possibility for the region, (nor should it be expected) yet past policies have exacerbated the Algerian situation for the worst.

Many believed the situation could be described in terms of Rousseau's "social contract" and the failure of the state to care for its people. A more recent examination of relative deprivation and its effect on populations can be found in Hirschman's "The Changing Tolerance of Income Inequality in the Course of Economic Development."⁶⁵ Applied to Algeria's case, the general population was quite tolerant about income inequities after independence; anything was better than French rule. Over time, however, as the people were expected to "bite the bullet" and suffer for the new Algeria, the income disparities became more noticeable. After the oil crash, many Algerians lost their tolerance for the blatant income differences and abuses of power. The oil revenues weren't providing milk and honey, and any revenue-sharing expectations there might have been were shattered.

⁶⁴Alan Richards, "Economic Imperatives and Political Systems in the Middle East and North Africa," RAND, 1993, p. 8.

⁶⁵H.O. Hirschman, "The Changing Tolerance for Income Inequality in the Course of Economic Development," *Quarterly Journal of Economics*, Nov. 1973, pp. 544-545.

Jurgen Habermas has written extensively on crisis and legitimation theory.⁶⁶ It seems all three of his subsystem points of origin are possible to blame for crisis in Algeria as it attempts to transition to a market economy. Habermas suggests crises in rationality, legitimation, and motivation can stem from economic, political, or socio-cultural sources. While this may seem simplistic, the combined effects of all three bear acknowledgement.

And finally, we can see that the issue of money has finally led Algeria to an arrangement with the International Monetary Fund (IMF). Algeria had previously managed to avoid debt rescheduling.

B. BACKGROUND

As described earlier in this thesis, Algeria's independence was met with a mass exodus of French settlers. With the French went the majority of skilled labor, technicians, and administrators. Granted, many acknowledge the fact that a "fresh slate" of sorts was provided, but the situation was far from problem-free. After President Ben Bella's short-lived "self-management" period of "near-romantic populism," the direction shifted to heavy industrialization under President Houari Boumedienne.

1. Sowing Oil to Reap Industry

The first Five-Year Plan for 1969-1973 launched the heavy industry program. According to Richards and Waterbury, oil and natural gas were to

⁶⁶David Held, "Legitimation Problems and Crisis Tendencies," *Political Theory and the Modern State*, (Stanford: Stanford University Press, 1989) pp. 80-82.

serve two purposes: First, they would be the "feedstock for a modern petrochemical sector" producing fertilizers and plastics; second, the earnings from their export would pay for planned steel manufacture and vehicle assembly. The agriculture sector was expected to grow as well, using the new products (fertilizer, tractors, etc). Foreign firms provided the technology, yet the private sector was viewed as irrelevant. Hence the slogan, "sow oil to reap industry." ⁶⁷

The second Five-Year Plan was met by world petroleum prices that had quadrupled. Algeria did not suffer from financing problems, yet the vision for the growing agriculture sector was not being realized. The state structure and policies led to increased food importation, increased tariff protection, and decreased public sector efficiency. Not unlike Egypt in this respect, the government had 45 percent of the nonagricultural work force on the government payroll.

By the late 1970's, Algeria was able to invest 25 - 30 percent of GDP annually. The cost, however, was in inflation and a growing external debt. Even though Algeria was able to make remarkable progress, (6 percent growth annually and a very high investment ratio) overcentralization, low productivity, excess capacity, unemployment, and neglect of the agricultural sector were a few of the "bitter fruits" of Boumedienne's development strategy.⁶⁸

⁶⁷Richards and Waterbury, p. 199.

⁶⁸*Ibid.*, p. 252.

2. U.S.-Algeria Liquefied Natural Gas Price Dispute

Between 1969 and 1981, the United States and Algeria spent quite a bit of time negotiating natural gas contracts. It's very interesting to see how perceptions and misperceptions have fogged (or altered) the memory of and the rationale for the U.S. decision to cancel the contract in 1981. (This topic is also covered from a foreign relations/diplomatic perspective in the next chapter.)

Import-export deals for natural gas are usually made bilaterally as opposed to the international oil market approach. After the El Paso Natural Gas Company (a U.S. firm) had its assets nationalized in 1967, negotiations for compensation (and possibly new contracts) were fruitful. The contract agreed upon between Sonatrach (Algeria's national hydrocarbons company) and El Paso Natural Gas Company called for annual delivery of 353 billion cubic feet of liquefied natural gas for a period of twenty-five years.⁶⁹ Pressure from U.S. oil companies, the French government (who had their own nationalization problems with Algeria) and various groups favoring Canadian and Mexican natural gas all took its toll on negotiations.

The bottom line is that President Reagan's new Administration killed the final El Paso deal just after the Algerians helped negotiate the release of American hostages from Iran (many Algerians are still waiting for a "thank you" for this). Around the same time, Secretary of State Alexander Haig announced

⁶⁹Azzedine Layachi, *The United States and North Africa: A Cognitive Approach to Foreign Policy* (New York: Praeger Publishing, 1990) p. 36.

a major offensive weapons deal with Morocco, Algeria's rival in the region. While the asking price for Algerian LNG seemed too steep for the Americans, Algeria eventually had no problem trading with France, Belgium, Spain and Italy for the same if not higher price.⁷⁰

3. Oil Price Collapse

The five-year plan adopted in 1984 had as its theme, "Work and discipline to guarantee the future."⁷¹ Efficiency and productivity were the targets of this plan, even as it acknowledged a possible decline in oil revenues. Although there was an attempt at diversification outside the hydrocarbon industry, the brunt of the improvements were to be through increased efficiency overall; belt-tightening days were to follow. However, by 1985 the oil prices began to slip. By the summer of 1986 the barrel was below \$10. Worse yet, the dollar lost more than 40 percent of its value against European currencies, the same currencies whose countries Algeria depended on for two-thirds of its imports.⁷² Table 1 shows the trend of imports, exports, and external debt for the 1984-1988 timeframe. (DSR= Debt Service Ratio)

⁷⁰*Ibid.*, pp. 46-47. Also, see "Implications of the U.S. - Algerian Liquefied Natural Gas Price Dispute and LNG Imports," U.S. General Accounting Office Report EMD 81-34. According to this report, the Algerian government had no "right" to ask for higher compensation - regardless of calorific equivalent OPEC oil prices.

⁷¹Ruedy, p. 245.

⁷²*Ibid.*, p. 246.

TABLE 1
IMPORTS, EXPORTS, AND EXTERNAL DEBT, 1984-1988
(In Millions of U.S. Dollars)

Year	Imports	Exports	Ext. Debt	DSR
84	9,234	12,792	14,766	32.8
85	8,811	13,034	17,069	32.5
86	7,879	8,065	20,566	51.0
87	6,616	9,029	24,601	54.0
88	6,675	7,620	25,041	87.0

Source: IMF, International Financial Statistics (1989); *Banque centrale d'Algerie* (1990) and Economist Intelligence Unit: Algeria Country Profile (1989-1990)

Hydrocarbons make up around 95 percent of Algeria's exports. Exposure to the dollar and oil price fluctuations adds even more difficulty to the Algerian economy. For every \$1 change in the price of a barrel of oil, the current account of the balance of payments is affected by \$500 million a year.⁷³ In 1985, hydrocarbons accounted for 98 percent of total exports. The oil price fall translated into a 40 percent drop in export earnings for 1986. Table 2 demonstrates the realities of the price drop for export earnings.

⁷³"The Long Road Ahead," *Euromoney Supplement*, September, 1991, p. 1.

TABLE 2

INTERNATIONAL TRANSACTIONS - EXPORTS

(Millions of Dinars)

1983	60,256
1984	63,764
1985	64,564
1986	36,828
1987	39,891
1988	48,113

Source: International Financial Statistics Yearbook, 1993

C. THE BUILDUP TO THE 1988 RIOTS

As discussed earlier, the peasant self-management or *autogestion* agriculture policies that followed independence managed to prevent famine, yet the state still wanted to regain some control over all the land holdings. The 22,000 self-managed farms were consolidated into around 2,000 large state farms during the 1963 to 1966 timeframe.⁷⁴ When President Boumedienne inaugurated his "Agrarian Revolution" in 1971, his "good intentions" could not have predicted the 1973 windfall oil revenues. Algeria became a victim of the dreaded "Dutch

⁷⁴Will D. Swearingen, "Algeria's Food Security Crisis," *Middle East Report*, September-October 1990, pp. 21-22.

Disease"⁷⁵ and rapidly lost sight of the earlier goals of basic cereal/grain self-sufficiency and the reduction of agrarian inequalities. Food imports soared, and the agrarian sector suffered. By 1980, the state agriculture sector was a major drain on the treasury.

When Boumedienne died in 1978, his successor Chadli Bendjedid tried to rectify the food situation. His 1980-1984 plan gave official priority to the well-being of the rural masses. Swearingen suggests however, that despite the apparent attention to the agrarian sector, government neglect and peasant resistance exacerbated the situation. The government paid artificially low crop prices in order to obtain inexpensive food for its industrial workers. The low crop prices offered little incentive to the farmers.

As the situation worsened, apparently almost a third of Algeria's arable land was not even being worked. It is believed that the leaders of the revolution (FLN) had managed to expropriate this land for themselves between 1962 and 1975. Some suggest that if this land had been included in the land reform, cereal production could have been increased significantly.

⁷⁵There's a separate study which examines the Dutch Disease damage to the traded sector. Wealth transfer leads to increased technology transfer, which results in absolute shrinkage of the traded sector. This is referred to as Hyper-Dutch Disease. See Manoucher Parvin and Hashem Dezhbakhsh, "Trade, Technology Transfer, and Hyper-Dutch Disease in OPEC: Theory and Evidence," *International Journal of Middle East Studies*, Nov. 1988, p. 469.

By the mid 1980's the agriculture sector drained the treasury over \$2 billion every year. In anticipation of International Monetary Fund "conditionalities" of borrowing, Algeria devalued the dinar by 30 percent, and tried to reduce the food subsidies. When the rioting began in October, 1988, food prices were up 40 percent from the beginning of that year.⁷⁶

The private industrial sector had not been out to win any social worker accolades, either. Entrepreneurs had not played by the "rules of the game." Few investments had been made in areas designated to job creation in the interior. Not unlike the United States during the 1980's, businesses maximized the advantages of backwards tax laws and procedures. The rich got richer, and the poor got poorer. One report showed 5 percent of the population earning 45 percent of the national income, while 50 percent of Algerians earned less than 22 percent.⁷⁷

Population growth was high- 3.5 to 4 percent annually. Housing was inadequate- construction had been put on the back burner for the more pressing needs of industry. Thousands of young men born after independence were without work (they are still known as *hittites* - those who lean against the wall all day - from the Arabic word *hait* meaning wall). The concerns raised by Alan Richards for today's Algeria were concerns in 1988 too: food, jobs, money. The

⁷⁶*Ibid.*, pp. 24-25.

⁷⁷Rachid Tlemcani, "Chadli's Perestroika," *Middle East Report*, March-April 1990, p. 16.

depravation and idleness led to the riots of October 1988. Was this spontaneous, or did the government start it? Did the students cry out for democracy or did they merely want an end to corruption and a chance for jobs and couscous? What role did the Islamists play?

D. ECONOMIC REFORMS

Several accounts of the riots imply a conspiracy of sorts. It's not been proven, but some believe the riots were instigated in order to separate the state from the painful economic reforms by "forcing" a political opening to accompany the economic opening. This could be characterized as a punt by some in government who understood the realities of the legitimization crisis they faced. Conspiracy theories seem to flourish in the Middle East and North Africa; they normally don't hold much water.

1. External Debt Policy

Algeria's monetary authorities did not (until recently) believe their level of foreign debt relative to exports was excessive, especially since they counted on increased hydrocarbon receipts. Short term debt, however, was unsatisfactorily high. Therefore, in November 1989 Algeria determined:

- * All imports of less than \$2 million to be paid for on a cash basis unless financed under an officially supported export credit line.

- * All new short term borrowing requests by Algerian banks and companies to be reviewed by the Central Bank.⁷⁸

⁷⁸Undated economic handout provided by Algerian Embassy.

It appears this policy is working. Table 3 looks at short-term debt totals (the 1991 figures don't match the breakdown in Table 4- besides the different sources, the reason for the difference is unknown) and at short-term debt as a percentage of total external debt (EDT%). Perhaps the policy was just good timing, but Algeria also received an unexpected windfall of more than \$2 billion dollars as a result of the Gulf War. Algeria used this windfall to pay off \$600 million of commercial credits in addition to building up foreign exchange reserves.⁷⁹

TABLE 3

SHORT-TERM DEBT & EDT %			
	1989	1990	1991
	(STD in US\$ millions)		
STD	1,840	1,384	1,084
EDT%	6.4%	4.6%	3.8%

Source: World Debt Tables 1990-1991

2. Public Sector Autonomy and Monopoly Dismantling

Law 88-01 freed public sector firms (including commercial banks) from the supervision and control of the state and municipal ministries. As limited liability companies, their ownership has been transferred to holding companies. The situation is more like U.S. shareholders.

⁷⁹"Gulf War Windfall," *Euromoney Supplement*, September 1991, p. 23.

The government no longer has the monopoly on foreign trade. According to a sponsorship statement the Algerian government is attempting to diversify by offering fiscal incentives and export assistance for those entrepreneurs exploring other industries.⁸⁰

3. Finance Reform and the Law on Money and Credit

As part of the economic reforms, Algeria now has a National Credit Plan. The April 1990 Law on Money and Credit is Algeria's attempt to bring its financial system in line with market economies. The Central Bank is able to adjust the money supply through what would be considered normal means (interest rate adjustments, etc.). Capital flow liberalization is provided for in this law; the 51 percent Algerian public sector participation in foreign investment requirement has been rescinded. The "playing fields" between public and private sectors are increasingly being leveled to stimulate competition. Even foreign import licenses have been abolished. Algeria has also introduced value added, unified personal, and global corporate income taxes.⁸¹

E. ALGERIA'S ECONOMIC FUTURE

Algeria needs to diversify its economy, yet the current political situation is not conducive to other broad-based attempts at diversification. While there may not be actual starvation, many Algerians live in poverty. During this research, the

⁸⁰"Algeria- An Economic Overview," *Euromoney Supplement*, September 1991, p. 7. (This section most likely written by the Algerian economy minister.)

⁸¹*Trends in Developing Countries*, World Bank, 1993, p. 5.

author was reminded of the vital role that extended families play in this region. Returning to Richard's estimate that 35 percent of Algeria's youth may never get a job, it's somewhat understandable that the *hittites* may find the radical messages of certain Islamist groups appealing. The marginalization of certain sectors of the population alone is not enough to explain the riots and subsequent demands on the government. The "regime" was losing legitimacy prior to the riots of 1988, and is still wrestling with prospects for change in the near future. Currently the regime is attempting a dialogue with all political parties (including the FIS), testing the limits of its tolerance to opposition. After all, "Even God has allowed opposition by allowing Satan to live among His people."⁸²

1. One Economist's View

Mohammed Akacem believes there's a danger in staying in power too long. Citing Great Britain's Prime Minister Harold Wilson's reason for resigning (addressing new problems with old solutions), he feels Algeria is in a similar situation. Besides multi-party elections, one of the "new" ways to handle Algeria's problems is through debt conversion. It seems to be a simple approach: foreign investors can buy Algerian debt at a discount, then convert it into Algerian equity. A foreign currency IOU is exchanged for a share of (or

⁸²Cited in Stephen P. Riley, "The Democratic Transition in Africa: An end to the One-Party State?" *Conflict Studies* #245, October, 1991. This was a popular argument in Tanzania in support of multi-party democracy.

ownership) of a state-owned company.⁸³ This gradual privatization does not lead to inflation as long as no "money" is introduced into the picture. A closing of the gap between the black market and official exchange rates would also be necessary.

Of course this is no magic cure. Privatization and currency devaluation are not painless economic procedures. Since Akacem's article was written two major changes have taken place: Algeria's High State Council has appointed a temporary president instead of electing one - resulting in an increased level of violence, and the IMF has announced a debt rescheduling arrangement for Algeria.

Akacem was asked about these changes during an interview. He has since modified his position on debt conversion. The IMF agreement should suffice at this time. There is some movement in this direction, but he believes debt conversion is "not for tomorrow." Besides the lack of economic diversity, the bulk of Algeria's debt is still "lopsided" in short-term debt. While objecting to the levels of violence recently displayed, one of the main problems remains the lack of jobs, and the reluctance foreign manufacturers have to bring their jobs to Algeria. The riots of 1988 were "driven ' y discontent...[but also were] a function of economics." Stability must be paramount, yet a compromise between the military and the Islamist opposition seems so unlikely. The reasons are complex-

⁸³Mohammed Akacem, "Algeria: In Search of an Economic and Political Future," *Middle East Policy* Vol. 11, Nr. 2, 1993. pp. 56-57.

first, there's really no one in charge of the Islamist opposition position, "...don't believe anyone who says otherwise."⁸⁴ Second, the military only need to look to Iran's example of what happens once Islamists take power. Akacem believes they are afraid; there's "blood on their hands" and they do not want to face any day of reckoning. It is also a mistake to look back to the command economy days of President Boumedienne and think that those were the "...good old days...Remember, he's the one that got the country in the mess it's in right now."

2. A View from Anadarko

Although it is not an "official" position, the input received from a geophysicist and from the head of corporate security employed by the Houston-based Anadarko Petroleum Corporation is both interesting and valuable. Most military personnel don't give much thought to civilian commercial interests overseas. As long as there is no requirement to interface with or to evacuate them, corporate America overseas is not on the military radar scope.

The author interviewed Mr. Glenn Rainey in order to get his thoughts on Algeria. He was working for Anadarko in Algeria off and on from before the Gulf War to June 1992.⁸⁵ Prior to Desert Storm, the only thing he and his wife had to fear living in an Algiers suburb was automobile part theft. Although this may

⁸⁴Telephone conversation between Dr. Mohammed Akacem, Associate Professor of Economics, Metropolitan State College of Denver, as well as editor of *Middle East Forum*, and the author, 10 May, 1994.

⁸⁵Interview between Mr. Glenn Rainey, Geophysicist for Anadarko Petroleum Corporation, Houston, and the author, 25 April 1994.

say something for the relatively low crime rate, it also indicates perhaps infrastructure problems- auto parts were black market items.

During the "air war" Raney sensed a distancing between Westerners and the locals. Unlike some other countries, the American families did not live in a U.S. enclave. As a matter of fact, Raney rented a house which belonged to a retired general of the Gendarmerie. This came in handy since the general had his own emergency generator. During power outages, he was one of the few who could resume normal activities. Infrastructure problems abound in today's Algeria. Although the road system is advanced, and there are plenty of skyscrapers, etc., the infrastructure is crumbling; the water mains ran next to the sewer lines, and the phones were unreliable at best. When asked how Anadarko could do business without adequate telecommunications, Raney explained that Anadarko has received authorization to use their own satellite communications system for voice and facsimile operations.

The oil company people used to socialize with the U.S. Embassy, and even had softball games with the U.S. Marines. The families never felt like targets, although there were demonstrations outside the embassies of the U.S., Canada, and Kuwait. Once the ground war started, families were evacuated, and the marines could no longer come out to play. After the war, it was business as usual according to Rainey. There was no antagonism, and he reported that it was safe for his wife to buy vegetables from the market with only a "Glad you're back" directed at her.

By February 1992, Anadarko decided to move its exploration office back to Houston. The families moved away, and only the engineers remained behind. Now rather than fly in through Algiers, the oil companies pool their resources and share weekly contract flights directly from Paris into Hassi Messaoud (by the oil rigs). The state accommodates this as a point of entry, and provides the appropriate customs personnel. Now there are only Algerian nationals working at the Algiers Anadarko offices.

When asked about the black market, Rainey said he knew it was there, but that it wasn't too visible to him. The government appeared to vacillate on its import policies; easing and then tightening the restrictions on various goods. He wasn't sure if the absence and then sudden presence of certain goods (coke, candy, etc.,) was due to the black market, or government policies. Anadarko had finally been cleared to order goods direct from Peter Justeson, Netherlands. The employees were seldom harassed, but the occasional shakedown by customs personnel or the police was inevitable. Cigarettes always came in handy, but Anadarko Company items - flashlights, keychains, and lighters with the company logo on them - were particularly popular and would always help in a pinch. Rainey personally would not like to go back, but that decision is based primarily on the recent arrival of his son. Anadarko now prefers to send single personnel to Algeria. He likened Algerian health care to the level found in the 1950's (which doesn't sound too bad).

Personally, Rainey believes Anadarko will continue its exploration regardless of the political situation. There are "no plans to declare *force majeure* unless the South is attacked." Rainey believes Algeria has great potential since it's still not very developed. His estimation of the political scene is familiar: the old regime was corrupt, the FIS received the backlash vote, but now the FIS has also "revealed themselves to the public." Anadarko doesn't expect production for six to ten years (the contract was only awarded in 1990. Sonatrach (the state-owned oil company) actually owns 11 percent of Anadarko stock due to Panhandle Eastern Company's buy out back in 1986.

The head of Anadarko's corporate security is a man of few words. When interviewed, he was asked about security precautions and how his company determined risk. Anadarko employs intelligence assessments using input from, among others: the U.S. Embassy, the local military and police. When pressed further, Mr. Flatt stated, "Our concerns are obvious, our measures are proprietary."⁸⁶

F. RECENT DEVELOPMENTS

The International Monetary Fund managing director Michael Camdessus went to Algeria in February, 1994 to discuss economic restructuring. Algeria now admits it is unable to meet its essential needs without a reduction in external debt payments. Actually, Algerian officials decided late January 1994 to stop

⁸⁶Interview between Mr. Biff Flatt, Head, Corporate Security, Anadarko Petroleum Company, Houston, and the author, 3 May 1994.

medium and long term debt repayments. The missed payments may have reflected more than a money shortage. According to Jon Marks, a *MEED* reporter:

The missed payments...also preceded a change in the presidency which had been expected to result in Abdelaziz Bouteflika's appointment as head of state. It is understood that Bouteflika's team was prepared for a quick rescheduling - and a decision to cut repayments may have been intended to force creditors' hands before the handover. In the event, Bouteflika could not agree to terms and General Lamine Zeroual became president.⁸⁷

On 11 April, 1994, Mr. Camdessus made a statement on Algeria's economic program. The program focused on three major points:

- *allowing a faster development of the private sector management of the economy, with an increasing emphasis on price- and market-based incentives;
- *encouraging a reallocation of resources to the productive sectors; and
- *introduce accompanying social measures to strengthen support for the most vulnerable population groups.

The key policy measures include, "adoption of efficient external trade and exchange system, substantial reduction in the fiscal deficit, prudent monetary policies, and realistic interest rates."⁸⁸

Although even one year ago talk of rescheduling was out of the question for Algerian policymakers, the rescheduling should be viewed as a vote of confidence by international observers. The devaluation will be unpopular and difficult for

⁸⁷Jon Marks, "Algeria," *MEED*, 18 February, 1994, p. 5.

⁸⁸International Monetary Fund News Brief, "Statement by IMF Managing Director on Algeria," Number 94/8, April 11, 1994.

the general population, but overall the rescheduling should give Algeria some much-needed breathing room.

Specifically, the Algerian stabilization program and the Stand-By Arrangement negotiated with the IMF resulted in the following:

- *Adjusting the Dinar value, in spot currency, to a 36 Dinar to One Dollar value (this is a 40.17 percent devaluation), effective April 10, 1994.

- *The rediscount rate is set at 15 percent.

- *The Bank of Algeria will intervene on the monetary market around a central rate of 20 percent.

- *The rate applicable to Bank overdrafts at the Bank of Algeria is set at 24 percent.

- *Interest rates on customer bank credit are negotiable; the ceiling of the bank spread is set at five points above the average cost of the bank resources, maximum.⁸⁹

Additionally, the IMF restructuring involved bilateral debt restructuring, although a Paris Club rescheduling was hoped to be avoided (bilateral debt accounts for 60 percent of overall medium and long term debt).

- *Additional resources to be obtained through multilateral institutions including the **World Bank, African Development Bank, Arab Monetary Fund, and the European Union.**

⁸⁹"Communique by the Council on Money and Credit," Algerian Embassy Document dated 10 April, 1994.

*Rescheduling will cut debt servicing by 4 billion U.S. dollars for 1994, and nearly 5 billion for the duration of the Stand By Arrangement (April 1994-March 1995).

*Short term debt will not be rescheduled, and payments will continue on time.⁹⁰

Algeria's key debt data can be seen in Table 4. The IMF arrangement was probably overdue.

TABLE 4

KEY DEBT DATA, 1991-1992 (In Millions of U.S. Dollars)		
	1992	1991
Medium/long-term debt,	25,216	26,346
of which:		
multilateral	3,124	3,187
bond issues	1,281	1,454
bilateral credits	13,543	14,776
syndicated loans and leases	3,575	4,680
bank reprofiling	1,248	-
down-payment financing	203	186
Non-guaranteed commercial credits	2,242	1,975
Short-term debt	792	1,239
Total debt	26,008	27,497
Debt service, of which:	9,250	9,610
interest	2,140	2,320
Debt Service Ratio (%)	76.7	74.7

Source: Banque d'Algerie, Algiers

⁹⁰Bank of Algeria Press Release, Algerian Embassy, 17 April, 1994.

VI. PERCEPTIONS, PERSPECTIVES, AND U.S. POLICY OPTIONS

Appearances to the mind are of four kinds: things either are what they appear to be; or they neither are, nor appear to be; or they are and do not appear to be; or they are not, and yet appear to be. Rightly to aim in all these cases is the wise man's task.

Epictetus

A. APPEARANCES

How has the land of "couscous and the casbah" been viewed by others- by the United States in particular? What separated a "communist" from one who was "non-aligned?" What historical (or hysterical) images do policy makers hold of Algeria- perhaps pirates, the Barbary coast, Hedy Lamarr or Charles Boyer? Anyone reading the Western press in the last few years is probably convinced there are secular extremists and radical Islamic fundamentalists busy killing each other in Algiers and environs this very moment, threatening the safety and well-being of Westerners in the process.

Or, maybe some positions are formed instantly on the basis of Algeria's stance on the PLO and Israel. A quick survey of arms transfers and IMET dollar disbursements tells yet another story: even among its North African neighbors to the East and to the West, Algeria finds itself "out" of U.S. favor. How has the psychology of foreign policy makers interpreted and categorized Algeria- both in the past and present? This section attempts to examine various views and opinions, as well as to interpret some "appearances" that may not be as they seem.

The headline reads, "U.S. Shifts Approach to Algeria as Islamic Movement Builds...Hoping to Avoid Being Labeled 'Great Satan'."⁹¹ A look back at the U.S.-Algeria history is required before tackling this recent headline.

In 1957, a young senator J.F. Kennedy made a passionate speech supporting Algeria's independence from France. This, needless to say, did not go over well with most Frenchmen. The positive effect this had on most Algerians, however, was enormous. Later, Kennedy made the following observations:

To an observer in the opposition party there appear two central weaknesses in our current foreign policy: first, a failure to appreciate how the forces of nationalism are rewriting the geopolitical map of the world - especially in North Africa, Southeastern Europe and the Middle East; and second, a lack of decision and conviction in our leadership, which has recoiled from clearly informing both the people and congress, which seeks too often to substitute slogans for solutions, which at times has even taken pride in the timidity of its ideas.⁹²

What might J.F. Kennedy say today if the United States "deferred" to France since Algeria is in her sphere of influence? He would probably say the same thing he did back in 1957:

...the complexity of problems thereby created does not absolve the United States of the duty of interesting itself in them. The temptation is to accept the idea that since our coalition allies have a primary interest there, the United States, like it or not, had best take an enforced diplomatic holiday.⁹³

⁹¹Daniel Williams, "U.S. Shifts Approach as Islamic Movement Builds," *The Washington Post*, 19 May, 1994. p. A35.

⁹²John F. Kennedy, "A Democrat Looks at Foreign Policy," *Foreign Affairs*, Vol. 36, No. 1, Oct. 1957.

⁹³*Ibid.*, p. 52.

Returning briefly to the previously mentioned El Paso Natural Gas Company issue, images held by certain U.S. policy makers strongly influenced the outcome of the failed LNG deal.⁴⁴ Layachi contends that U.S. - Algerian relations have always been characterized by a strange mixture of mutual suspicion interrupted by moments of hope. Probably based on Kennedy's interest, the U.S. extended \$165 million worth of foodstuffs through PL480's "Food for Peace" program. The suspicion returned, however, once Algeria's President Ben Bella went to see Fidel Castro in Cuba after a visit with President Kennedy.⁴⁵

The Non- Aligned movement was never seen as "neutral" by the United States. Suspicion continued when Morocco (emboldened by the U.S?) staked its claim on the Tindouf region of Algeria. Algeria attempted to buy arms from the U.S., but was refused only to see repeated arms sales to Morocco. The State Department considered Algeria a cold war "danger point" because of Soviet influence.⁴⁶

This association radicalized Algeria in the eyes of U.S. officials. Having struggled for their own independence, Algeria sided with national liberation

⁴⁴Layachi, p. 31. Layachi's study looks at psychology, cognitive mapping, and foreign policy. Specific case studies include arms sales to Morocco and Algeria's LNG deal with El Paso Natural Gas.

⁴⁵*Ibid.*, p. 32.

⁴⁶The Soviets were actually the only ones who would "barter" with the cash-strapped Algerians. According to military personnel at the Algerian embassy, the Soviets bartered weapons and training for such items as tomatoes and oranges!

movements around the world- inspiring many, yet only irritating the U.S. "Wars of national liberation" must have been read as code for "pro-Soviet" or worse.

Algeria and the United States continued to misread each other up through the LNG contract cancellation and the negotiated release of the U.S. hostages from Iran. While occasional commercial breakthroughs were made, the overall trend of mistrust continued.

How was it that Algeria remained a militant, anti-American country in the eyes of the United States in spite of an obviously less controversial, less confrontational development? It's not that all policy makers were blind. For example:

The Algerians worked with Yugoslavia and India at Havana in the effort to prevent Cuba from directing the non-aligned movement toward a distinctly pro-Soviet position; favored a peaceful resolution to the conflict between North and South Yemen at the time when the Soviets were supporting the latter in the use of military force; opposed Soviet policy in Ethiopia and Uganda by supporting the Eritreans and the Tanzanian-aided overthrow of Idi-Amin Dada, and stiffened their previously tolerant attitude toward airplane hijacking...[and] privately criticized Cuba's overambitious policy in Africa,[and] the Vietnamese invasion of Cambodia....⁹⁷

Talk of "missed opportunities" is quite germane when discussing U.S. - Algerian relations. The U.S. is naturally leery of identifying too closely to **individuals** in power (the Shah of Iran, for example), yet since President Bendjedid, there haven't been any particular "individuals" in power- just

⁹⁷Steven J. Solarz, Chairman of the Sub-committee on Africa of the Committee of Foreign Affairs, "Report of a Study Mission to Morocco, the Western Sahara...." 1980. Quoted in Layachi, p. 48.

secularists. Even Prime Minister Redha Malek's appointment caused nary a comment from his "friend" Secretary Warren Christopher.

Yes, granted, the U.S. was in a quandary once elections were cancelled. The Bush Administration was content to hold its breath, hoping for the best, but not making any waves one way or the other. Although there were human rights abuses reportedly by both the regime and the Islamists, U.S. State Department Spokeswoman Margaret Tutwiler was quick to only speak out against the Islamist armed struggle. Later, Human Rights Watch surmised the key to U.S. reticence was revealed in the following speech:

We are suspect of those who would use the democratic process to come to power, only to destroy that very process in order to retain power and political dominance. While we believe in the principle of 'one person, one vote,' we do not support 'one person, one vote, one time.'⁹⁸

At least during this period the U.S. was sending a message of support for the current regime - even as it hoped for a return to elections and "democracy." The recent headlines indicate some kind of acceptance, some measure of Islamist accommodation (as long as they're peace-loving and don't want to hurt anyone). Is this in Algeria's best interests? Is this in the United States' best interests? Probably not. The prospect of an Islamist government in Algeria is slim; one way or the other. The likelihood of an outright coup is also slim. There's much talk of a split in the armed forces between Islamists and secularists. The split which should be of concern is more likely between the secularist eradicators and the

⁹⁸Secretary Djerejian, 2 June 1992, quoted in *Human Rights Watch World Report, 1993*(New York: Human Rights Watch, 1992) pp. 293-294.

secularist conciliators. A further definition of these last groups should not be required.

It seems misguided to believe that by superficially supporting parties solely based on religious platforms, that the United States believes it can avoid being pegged as "The Great Satan." First, a newfound desire to be "liked" by a fragmented group of extremists is not in the best interests of the U.S. Second, over-sensitivity to the West's past equating of Islam with radical religious extremism does not exonerate the West from any sudden and erroneous *volte-face*. **Many, if not most, of Algeria's Muslims are also against radical fundamentalism.** They voted for change, they probably didn't vote for *sharia* law. Third, perhaps the Armed Islamic Group (GIA) or the Armed Islamic Movement (MIA) will merely be emboldened by this latest vote of "no confidence" for the transitional government.

Is "transitional government" a euphanism for military regime, or authoritarian government? Perhaps, but many contend it's better than the alternative civil war which might now be taking place had the Islamists taken power.

B. PERSPECTIVES

1. The Gendarmerie

According to Major Rabah Bekhti, it's only a matter of time before order is restored in Algeria.⁹⁹ As a 22 year veteran of the security service (Gendarmerie), Algeria's internal security has been his primary responsibility. When asked about the roots of the current unrest, the economic hardships that predated the riots of 1988 are the starting point.

He was quick to point out the riots had nothing to do with a call for democracy, nor were they initiated by the Islamists. As suggested earlier, the Islamists took advantage of the situation, but did not create the situation. He also refuted any possible government instigation of the riots.

1988 was not the first time the police and Gendarmerie would be called out to perform riot control duties; but it was perhaps the first time so many youngsters were involved. According to Major Bekhta, "In 1985 there was a small group of fundamentalists...we fixed the problem." When asked about the reports of torture and brutality during the 1988 riots, he was not apologetic. Surprisingly, his response, "As the French say, you can not make omelettes without cracking a few eggs."

He blamed the riots, quite frankly, on a combination of increasing economic difficulties and overt government corruption. He was not a supporter

⁹⁹Interview between Major Rabah Bekhti, Algerian Army (Gendarmerie) and the author, 9 April, 1994, Monterey, California. Major Bekti was attending DRMI.

of President Chadli Bendjedid by any means "he was a weak leader." He also engaged in what could be called nostalgic reminiscing about the "good old days" of President Boumedienne, "In my opinion, if Boumedienne had some years to live, we would not be in this situation...he was a leader...strong, honest." (This is not uncommon to hear. What is somewhat surprising is that there are some who reflect all the way back to the days of French rule.) Boumedienne is remembered as a man of vision and honor. If there was corruption during his regime, Bekhti believes it was by those around him, not by him. But as the economist Mohamed Akacem said, the period of the centrally managed economy is perhaps most to blame for Algeria's economic hardships.

Major Bekhti is a family man; a Berber married to an Arab. He has three children. When asked about the "Berber problem" he said there was no problem. Certainly during the past, the French exacerbated their differences in order to flush out an intermediate class. Sure there are Berber agitators, but most Berbers are merely concerned with **cultural** preservation of their language and heritage, not with separatism. He likened the situation to the Black movement in the United States - some are more passionate about their wishes, but most are just concerned about "white" assimilation.

Major Bekhti is concerned about the welfare of Algerians, but he's not overly distressed. Even though many young people are without jobs, he stressed the importance of extended families, free education, a free press, and free health

care. Although ten to 20 family members may live under the same roof, no one goes hungry.

When asked about the fairness of the Family Code legislation and its impact on Algerian women, he believes there is a huge gap between the theory and the practice (not unlike the gap seen in the Arabization policies).

The whole "situation" in Algeria has been blown out of proportion by the Western press. The London and U.S.-based reporting in particular are seen as alarmist and unfair. The media, "...doesn't know how to analyze the situation." As far as the detention camps in the South are concerned, he said 5,000 to 10,000 Islamists have already been released. He scoffed at the human rights reports, "...they have their rights, they have television...."

Returning to elections, he believes the government's main mistake was recognizing the FIS. Early on, he was aware the mosques were being used to organize, "I worked in the security system...we gave advice, saying it may be a problem. We were told, don't worry- we're in a democracy now." The bottom line is: Algeria can't and should not mix religion and politics. Algeria is an Islamic country which should be run by a secular government. The sooner order is restored, the better.

As far as the FLN is concerned, he does not believe they are politically viable, but that a new coalition of secular supporters would be necessary.

Regionally, there is no true vitality for the Arab Maghreb Union (AMU) as far as he was concerned. Using yet another French idiom, he described the

union of Algeria, Tunisia, and Morocco in particular as a "Russian salad." This is similar to the "apples and oranges" analogy. Politically, he recognizes Tunisia and Morocco are closer to the United States, but he really didn't seem to understand why. Once again, the issue of Soviet equipment came up. The fact that Algeria never was nor will be communist was stressed. Major Bekhti believed the U.S. should support President Zeroual directly, not through the French.

2. Dr. William Quandt Looks Ahead

Dr. Quandt's book, *Revolution and Political Leadership in Algeria, 1954-1968* predicted that due to extreme elite instability, Algerian leaders would either create authoritarianism or an open political system which permitted mass participation. Since Algeria has attempted both, a follow-up interview was appropriate.¹⁰⁰

According to Dr. Quandt, the odds of a return to multi-party democratic politics are slim (depends on the definition of democratic). Perhaps there is a possibility of a "Tunisian" model of **controlled** democracy. The FLN as a political party is finished, but "...not the relatively secular nationalist position it represents."

Economics continues to play a major role in Algeria's drama. Many FIS followers simply had no jobs, and no prospects. As far as the U.S. is

¹⁰⁰Interview between Dr. William Quandt; Senior Fellow, The Brookings Institution and former NSC member, and the author, 26 March, 1994, Monterey, California.

concerned, Dr. Quandt admitted the government had been very low-key. Believing we don't have much influence, some in the bureaucracy have "written off the regime." He also believes high level talks directly with President Zeroual are necessary. The U.S. should promise support if he moves quickly on economic and political reforms, including parliamentary elections in two or three years.

In conclusion, he believes all of this might not work, but that the FIS alternative would be "bad news." The Islamists are not capable of solving Algeria's socio-economic woes; exacerbating many situations (like the role of women) as opposed to alleviating them.

3. Algerian Citizens Speak Out

Perhaps anecdotal information and case studies can assist Western policymakers and the press. Foreign Press reports, both inside and outside of Algeria, paint a very grim picture. As discussed earlier, the President is attempting to "dialogue" with Islamist groups who are currently at odds with the current regime. The recent killing of Abdelkader Alloula, a well-known and respected writer, brought a very strong response from many Algerians- not only were they against the fundamentalists, but they were angry at the president for attempting to dialogue with any group. For example:

Abdelkader Alloula is gone. A man of culture, an Algerian of talent and integrity, is with us no more. Another name has been added to the grim roster....But our politicians remain indifferent....How can we tolerate the wholesale slaughter of innocents at the hands of blind fundamentalism? We have never really mourned our dead: we have only mourned our own weaknesses. But the majority of Algerian citizens...have expressed firm resolve to put an end to these terrorists....The Algerian people have suffered enough...they are calling on all patriots to insist that the regime put an end

to all efforts to destroy national unity, unmask the destabilizers trying to exploit civil turmoil, and put an end to the massacre of Algerians.¹⁰¹

And another article by an antifundamentalist group:

One of the nation's irreplaceable cultural and artistic treasures has been shattered. This is what fundamentalism is really about, for nothing but violence and extremism can result from its totalitarian, obscurantist ideology...Honorable, patriotic Algerians will not forget that...when assassinations are taking the lives of its writers and poets, of thinkers and scientists, of white-collar and blue-collar workers, of men and women who reject fundamentalist oppression and terror, almost the entire political class and certain coterie within the regime are behaving with ever-increasing cowardice and irresponsibility in their efforts to absolve and rehabilitate the Islamist parties and their criminal leaders.¹⁰²

Many groups appear like warlords; setting dress and living criteria for their own individual areas. One report said someone issued a *fatwa* so the fundamentalists would be excused from fasting during the holy month of Ramadan (they would need all their strength to terrorize the neighborhood).

In an article written around International Womens' Day, the author lamented the toll this period of upheaval has had on Algeria's women. The list is long and sordid; the "terrorist" fundamentalists often find it necessary to include rape and also murder (usually by gunshot or throat slitting,) as forms of "law enforcement" or message delivery.¹⁰³ The atrocities are a matter of record, but the saddest fact is one can call them terrorists- but they're all Algerians.

¹⁰¹Farida Ramse, "A Citizen Reacts," *JPRS-NEA-94-020*, 29 April, 1994, p. 9.

¹⁰²*Ibid.*, "Ettahaddi Movement."

¹⁰³Salim Ghazi, "Terrorism: The Women it Kills," *JPRS-NEA-94-020*, 29 April, 1994, pp. 14-15.

C. CURRENT POLICY

Returning to the *Washington Post* headline, yes, there has been a shift in the official U.S. position. Recent testimony made before the House Foreign Affairs Committee by the acting Assistant Secretary of State for Near Eastern Affairs Mark Parris may have been "overwritten" in the story by the *Washington Post* reporter, but the message still came through. The difficulty our government must face in trying to read another country's intent and forecast democratic happy endings has been made all too clear in Algeria's case. Attempts to conduct research through the State Department led to varied results.

1. Office of Maghreb Affairs

Edward Vazquez believes the situation in Algeria guaranteed marginalization of the population. Since cancellation of the elections, the Islamists have been "driven underground." This resulted in sustained polarization, but also increased the popularity of the Islamists.¹⁰⁴ While the Algerian government has taken commendable, if not drastic measures of currency devaluation in preparation for an IMF arrangement, the political progress has not been as good.

Mr. Vazquez believes time is running out for the current regime. There has been no clear indication that meaningful dialogue attempts have been made. There is a three step process required: contact, dialogue, and negotiate. He believes only the first step has been attempted.

¹⁰⁴Interview between Mr. Edward H. Vazquez, Deputy Director, Office of Maghreb Affairs, Department of State, and the author, 26 May, 1994.

2. The U.S. Ambassador to Algeria

The Honorable Mary Ann Casey was contacted during this research for her unclassified assessment of the current environment. She graciously responded to the author's query, yet rather than answer specific questions directly, she referred the author to the recent House testimony provided by Secretary Parris.

3. Secretary Parris' Testimony, and Congressional Questioning

Although reiterating President Zeroual's own 7 February, 1994 statements of both his commitment to political dialogue and participation of all political forces "without exception" and his commitment to implement liberalizing economic reforms, Mr. Parris' basic message was not as encouraging:

The regime must find a means of bringing disaffected elements of the populace into a process to chart a new, democratic course for Algeria. We agree with the major Algerian parties, which insist that this process must involve a broadening of political participation to encompass all factions, including Islamist leaders who reject terrorism. We have followed with interest indications from Algiers that government officials have met with representatives of the Islamic Salvation Front. But we have not seen the fruits of such contacts---if indeed they have occurred.¹⁰⁵

In testimony and during questioning, Mr. Parris (which could be read as implying the Algerian President lied and that U.S. Embassy Algiers' information was possibly not accurate) reiterated two themes: the U.S. has little to no influence besides our "words," and that security measures alone will not solve Algeria's crisis. The question of how to dialogue with factions who would

¹⁰⁵Mark R. Parris, Acting Assistant Secretary of State for Near Eastern Affairs, "Opening Statement Before the House Foreign Affairs Committee, Subcommittee on Africa," 22 March, 1994.

rather kill than negotiate never came up. It's interesting to note how the question "What if the elections hadn't been cancelled?" was never really addressed. Also, according to Rep Donald Payne (D-NJ), the FIS is in fact a front, a coalition of various groups. Before elections, he suggests the FIS members were not militant. Mr Parris later reported that after elections, the various splinter groups including the Armed Islamic Group (GIA) were the real problem, not the FIS. If they were a front, what's the point? All factions, whether naughty or nice, would have taken power based on coalition politics.

It seems the U.S. position favors human rights and is critical of human rights abuses (on all sides), favors a democratic system, an electoral process, and economic reform. Representative Harry Johnson (D-Fl) asked, "Is there any country in the world we don't favor those four things in?"

D. COMMENTS FROM THE ALGERIAN EMBASSY

Although not official positions, the input received from various Algerian Embassy personnel was quite valuable.¹⁰⁶ Social and economic concerns may take a backseat at times to the political concerns, yet jobs, housing, youth issues, the economy, and providing a "safety net" for their fellow Algerians were all issues which need attention as well.

¹⁰⁶Interview between Colonel Mohamed Tabet, Defense, Naval and Air Attache; Mr. Kamel Retieb, Economic Attache; Major Mohamed-Abdelouahab Rouai, Military Attache, Assistant Defense, Naval and Air Attache, Embassy of Algeria, and the author, 27 May, 1994.

With respect to the current situation, their perspectives were candid and enlightening. As Secretary Parris stressed, a dialogue with all parties concerned is necessary. The Algerians agreed. They also said the transition period before elections were held could be shorter than advertised, but only if two conditions were met: the security level must permit free movement and the economic situation must be stabilized. They failed to understand why the U.S. expects the Algerians to dialogue with groups who bring "guns to the table." As they stated, there must be a clear commitment from the other parties, "Even Arafat knew he had to publicly renounce violence if he was to continue negotiations for the PLO."

Not unlike Major Bekhti's interview, the Algerian Embassy personnel discounted many accounts as merely "bad press." However, they did point out, "but we're not living in heaven." Talk of young men avoiding army conscription (to avoid being killed by Islamists) was interpreted as a normal phenomenon of young men everywhere, attempting to avoid the military. They glossed over certain topics, but it was still far from sugar-coated. When asked about reports of pro-government (possibly government-sponsored) death squads such as the Organization of Free Algerians, their assessment was different than had been expected. There's no evidence linking any actions to agents of the state. Instead of a statement such as, "we will not tolerate these violent acts, regardless of who's doing them," the author was reminded that, "...it's understandable to look for revenge. Imagine if your child or husband had been killed, and you knew who was responsible...."

Although by all accounts the Algerians should love to hate the French, the relationship is much more complicated than that. They appreciate France's clear support for the military, and also acknowledge France's legacy in Algeria. The legal code, their education system, and much more have been influenced by France- even their outlook on certain matters. Colonel Tabet learned Arabic as a foreign language and was grateful for the education he received, but he will never forget that well over one million Algerians (of eight million) died for Algeria's independence. It's not so much that they hold a grudge against the French, it's that they fiercely want to protect that which they took back from France.

As representatives of the people, the military's role is to support the Constitution, and honor election results. The state remains regardless of who's in power. (There still seems to be a gray area focused on political parties which might take power, yet don't support the Constitution.) The military has been removed from the FLN power structure for the last six years. The problem with most opposition parties, they believe, is that they have no program. They are unskilled or naive in political and economic matters. For example, certain statements by the FIS concerning abolishing various taxation schemes were "tax fallacies," and notions of forbidding women to work removes 51 percent of Algeria's teachers from the workplace alone.

The advice they had for U.S. policymakers?

*Look to Algeria's needs, and give it the same type of support provided to other friendly governments- be fair.

*Support secular governments, including Algeria.

*Recognize the threat of fundamentalism is real.

*Make sure the State Department sends clear messages.

*Recognize Algeria has never been and never will be communist. As Colonel Tabet said, "I've flown MiG-21s all my military career. I would love to fly an F-16, but you won't sell them to us."

*Offer mediation between parties, monitor their elections and help them ensure the next round is free and fair.

VII. CONCLUSIONS

As the title of this thesis suggests, Algeria is in a transition period. The Islamic threat coupled with government debt is more than most regimes could withstand. However, Algeria is not a "typical" developing country. At the risk of sounding trite, Algeria's tenacious history is not something to be easily overlooked. Suffering much during both French rule and a horrific "Million-man Revolution," the 3,000 plus deaths suffered since elections were canceled will unfortunately not be a final count. Matters will get worse before they get better. The bottom line is, the United States should not underestimate the resilience of either the Algerian people, or the current regime.

Economics has played a major role since Algeria's independence. Hirschman's theory of changing tolerance levels based on a form of relative deprivation and income inequity coupled with Luciani's theory of oil rent fiscal crisis and trends for democracy are valid for the case of Algeria. The recent IMF debt rescheduling arrangement for Algeria is a very positive step. In the long run this could ease this period of transition.

But what will Algeria transition to? There are myriad definitions of democracy from which to choose. Sometimes all that can truly be hoped for is "good government." The United States has been working on its model for over 200 years. The eminent Middle East scholar George Lenczowski had this to say:

I have mixed feelings about it (Algeria's situation). Of course, the democratic process of elections was violated by the cancellation of elections. On the other hand, I think we should bear in mind that democracy does not consist of elections only. There are other important ingredients of the democratic process: rule of law, observance of human rights, division of powers, a truly independent judiciary, and tolerance for other religions beyond the dominant one. Thus it is difficult to condemn wholesale the secular government of Algeria for preventing a basically non-democratic Islamic power from seizing power.¹⁰⁷

Algeria's "Platform on the National Consensus for the Transitional Period"

asked all "participating parties" to support the following commitments:

- *The preservation and strengthening of national unity;
- *The respect of the republican character of the State;
- *The respect of the values of Islam as religion of the Algerian State, foundation of society and the personality of the Algerian people;
- *The respect of the Arabic language as the national and official language;
- *The acceptance of pluralism and alternance of power;
- *The respect of the rules of democracy;
- *The respect and promotion of public and individual liberties;
- *The non-use of violence as a means of political expression, access to or maintenance in power;
- *The non-use of religion for political purposes;
- *The non-use of public and official places and mosques for political purposes;

¹⁰⁷Letter from George Lenczowski to the author, 19 May, 1994.

*The respect and promotion of the national popular heritage, and the prohibition to monopolize it.¹⁰⁸

Unfortunately, the National Conference was boycotted by all parties. As Representative Harry Johnston (D-Fl) observed during Secretary Parris' testimony, "They gave a party and nobody showed."

Algeria is a potential powerhouse in the region. Tunisia, Morocco and France in particular are closely watching the situation. If stability is not maintained in Algeria, the spillover effects may be devastating for the region. The likelihood, however, of an Islamic takeover remains slim. There are still many unknowns, but it does seem likely (if not necessary) for the regime to convince the more moderate political hopefuls to join forces with the current regime against the extremist radicals who are attempting to destroy the status quo, one life at a time.

¹⁰⁸"Platform on the National Consensus for the Transition Period," Embassy of Algeria document, Second draft 25 Dec, 1993.

BIBLIOGRAPHY

"Communique by the Council on Money and Credit," Algerian Embassy Document dated 10 April, 1994.

Abraham, Nabeel. "Algeria's Facade of Democracy," *Middle East Report*, March-April, 1990.

Ajami, Fouad. "The Summoning," *Foreign Affairs* Vol. 72 No. 4 September/October 1993.

Akacem, Mohammed. "Algeria: In Search of an Economic and Political Future," *Middle East Policy* Vol. 11, Nr. 2, 1993.

Bank of Algeria Press Release, Algerian Embassy, 17 April, 1994.

Burgat, Francois and Dowell, William. *The Islamic Movement in North Africa*, (Austin: University of Texas Press, 1993).

Cheriet, Boutheina. "The Resilience of Algerian Populism," *Middle East Report*, Jan-Feb 1992.

Duran, Khalid. "The Second Battle of Algiers," *Orbis*, Summer 1989.

Entelis, John P. *Algeria: The Revolution Institutionalized*, (Boulder: Westview Press, 1986).

Euromoney Supplement, September 1991, "Gulf War Windfall."

Euromoney Supplement, September 1991, "Algeria- An Economic Overview."

Euromoney Supplement, September, 1991, "The Long Road Ahead."

Fanon, Frantz. *The Wretched of the Earth* (New York: Grove Press, 1963).

FBIS-NES-88-195, "Former President Ben Bella Calls for Democracy," 7 Oct. 1988.

FBIS-NES-88-196, "Bendjedid Confers With Salah," 11 Oct. 1988.

FBIS-NES-88-196, "Public Asked to Respect Military," 11 Oct. 1988.

FBIS-NES-88-196, "Life Returns to Normal," 11 Oct. 1988.

FBIS-NES-91-092, "Belhadj Warns FIS Will Try Ministers, Military," 13 May, 1991.

Ghazi, Salim. "Terrorism: The Women it Kills," *JPRS-NEA-94-020*, 29 April, 1994.

Ghiles, Francis. "Algeria Locked in a Vicious Cycle of Violence," *Middle East International*, 9 July, 1993.

Gordon, David C. *North Africa's French Legacy: 1954- 1962* (Cambridge: Harvard University Press, 1962).

Hedges, Chris. "Looking For Love (Shh!) in Ads," *The New York Times*, Sec. IX, p. 3:1, 9 May 1993.

Held, David. "Legitimation Problems and Crisis Tendencies," *Political Theory and the Modern State*, (Stanford: Stanford University Press, 1989).

Hirschman, H.O. "The Changing Tolerance for Income Inequality in the Course of Economic Development," *Quarterly Journal of Economics*, Nov. 1973.

Horne, Alistair. *A Savage War of Peace: Algeria 1954-1962* (New York: Penguin Books, 1979).

Human Rights Watch World Report, 1993 (New York: Human Rights Watch, 1992).

Ibrahim, Youssef M. "Islamic Plan for Algeria is on Display," *The New York Times*, Jan. 7, 1992.

International Monetary Fund News Brief, "Statement by IMF Managing Director on Algeria," Number 94/8, April 11, 1994.

Kapil, Arun. "Algeria's Elections Show Islamist Strength," *Middle East Report*, September-October 1990.

Kennedy, John F. "A Democrat Looks at Foreign Policy," *Foreign Affairs*, Vol. 36, No. 1, Oct. 1957.

Layachi, Azzedine. *The United States and North Africa: A Cognitive Approach to Foreign Policy* (New York: Praeger Publishing, 1990).

Luciani, Giacomo. "The oil rent, the fiscal crisis of the state and democratization," Unpublished paper, 1993.

Mansfield, Peter. *The Arabs* (New York: Penguin Books, 1990).

Marks, Jon. "Algeria," *MEED*, 18 February, 1994.

Middle East Watch/Lawyers Committee for Human Rights report on Algeria: "Lawyer Brahim Taouti, Active in Human Rights, Gets 3- Year Sentence; Two U.S.-Based Rights Groups Urge His Release," May 11, 1993.

Mortimer, Robert. "Islam and Multiparty Politics in Algeria," *Middle East Journal*, Vo. 45, No. 4, Autumn, 1991.

Nelson, Harold D. editor, *Algeria: A Country Study*, 4th ed. (Washington: U.S. Government Printing Office, 1986).

Parvin, Manoucher and Dezhbakhsh, Hashem. "Trade, Technology Transfer, and Hyper-Dutch Disease in OPEC: Theory and Evidence," *International Journal of Middle East Studies*, Nov. 1988.

Quandt, William B. *Revolution and Political Leadership: Algeria, 1954-1968* (Cambridge: The M.I.T. Press, 1969).

Ramse, Farida. "A Citizen Reacts," *JPRS-NEA-94-020*, 29 April, 1994.

Richards Alan, and Waterbury, John. *A Political Economy of the Middle East: State, Class, and Economic Development*, (Boulder CO: Westview Press, 1990).

Richards, Alan. "Economic Imperatives and Political Systems in the Middle East and North Africa," RAND, 1993.

Riley, Stephen P. "The Democratic Transition in Africa: An end to the One-Party State?" *Conflict Studies* #245, October, 1991.

Roberts, Hugh. "A Trial of Strength: Algerian Nationalism," in *Islamic Fundamentalism and the Gulf Crisis*, ed. James Piscatori, (Chicago: The Fundamentalism Project, 1991).

Ruedy, John. *Modern Algeria: The Origins and Development of a Nation* (Bloomington: Indiana University Press, 1992).

Swearingen, Will D. "Algeria's Food Security Crisis," *Middle East Report*, September-October 1990.

Tlemcani, Rachid. "Chadli's Perestroika," *Middle East Report*, March-April 1990.

Trends in Developing Countries, World Bank, 1993.

U.S. General Accounting Office Report EMD 81-34, "Implications of the U.S. - Algerian Liquefied Natural Gas Price Dispute and LNG Imports".

Washington Times, "Today's quote," September 22, 1993.

Williams, Daniel. "U.S. Shifts Approach as Islamic Movement Builds," *The Washington Post*, 19 May, 1994.

INITIAL DISTRIBUTION LIST

- | | | |
|----|---|---|
| 1. | Defense Technical Information Center
Cameron Station
Alexandria, VA 22304-6145 | 2 |
| 2. | Library, Code 52
Naval Postgraduate School
Monterey, CA 93943 | 2 |
| 3. | N-511H, The Pentagon, Room 4D562
Office of the Chief of Naval Operations
Washington, D.C. 20350 | 1 |
| 4. | N-521, The Pentagon, Room 4E475
Office of the Chief of Naval Operations
Washington D.C. 20350 | 1 |
| 5. | Dr. Thomas C. Bruneau
Chairman, National Security Affairs (NS/BN)
Naval Postgraduate School
Monterey, CA 93943 | 1 |
| 6. | Dr. Ralph H. Magnus
(Code NS/MK)
Naval Postgraduate School
Monterey, CA 93943 | 1 |
| 7. | Dr. Claude A. Buss
(Code NS/BX)
Naval Postgraduate School
Monterey, CA 93943 | 1 |
| 8. | LCDR Janice M. Wynn
1550 Bella Casa Ct
Merritt Island, FL 32952 | 1 |
| 9. | Ambassador Mary Ann Casey
American Embassy, Algiers
Department of State
Washington D.C. 20520-6030 | 1 |

10. Department of State
2201 C. St. NW
NEA/MAG Room 5250
Washington D.C. 20520

1